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ns&Investments

The Newspaper of Corporate and Institutional Investing

$9 An Issue $135 A Year

AT DEADLINE

Virginia reaches RF&P deal

The $12.6 billion Virginia Retirement System could be the sole owner of RF&P Corp. under a tentative agreement reached among the pension fund, the company and CSX Corp.

CSX will sell its 6.8 million RF&P shares to the company and the pension fund for $35 a share. RF&P will receive $135 million worth of stock in exchange for its railroad operations and certain other assets; the pension fund, which owns about 28% of RF&P, will pay CSX $104 million for the balance of its holdings.

Other shareholders, who own about 35% of the more than 17.6 million shares outstanding, can sell their stock back to RF&P for $39 a share. Afterwards, RF&P will be a real estate developer.

Landis Tool taps Hallmark

Landis Tool, a unit of Litton Industries, hired Hallmark Capital Management to run an $8 million equity account, replacing an unidentified firm.

National Steel shifts staff

National Steel named Richard Newsted, previously assistant treasurer, its new vice president, finance and treasurer. He replaces Larry Symons, who left the firm.

James Wainscott, former manager, pension and lease administration, was named assistant treasurer. William McDonough was named manager, treasury operations, and will add pension manager to his list of new duties. He was supervisor of treasury operations.

Oppenheimer picks chief

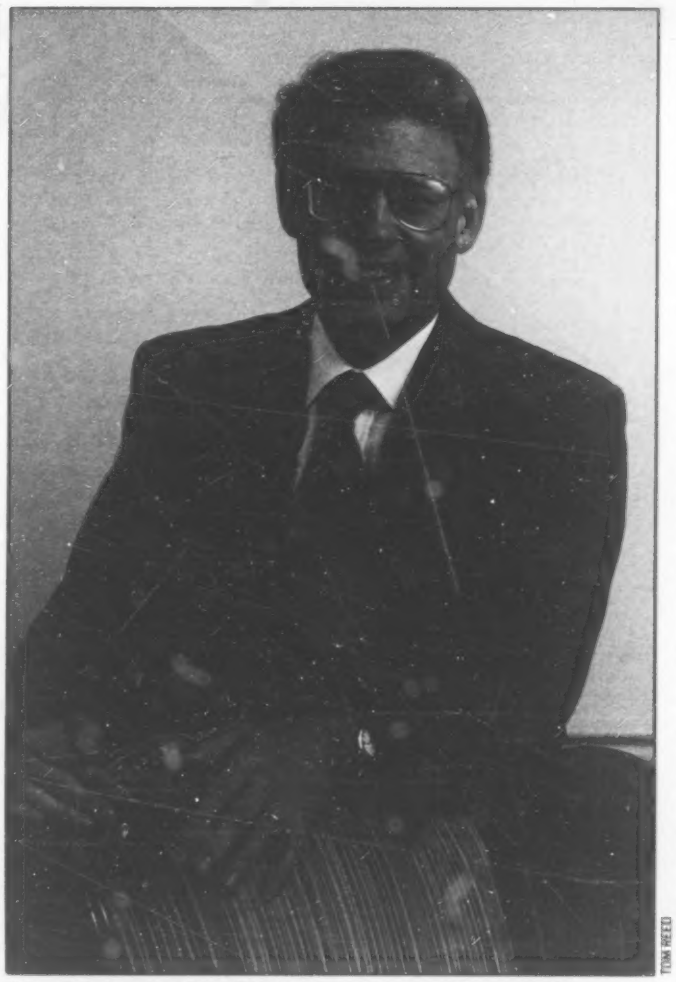
Bridget A. Macaskill, executive vice president and chief operating officer of Oppenheimer Management, was appointed the firm's president and COO.

INSIDE

GREG LOUDON

Guarded by thin shields

Corporate directors are not beyond the reach of legal action despite the safeguards adopted by corporations and states in the 1980s — opponents now are searching for loopholes. See Commentary, Page 16.



TOM REED

George F. Russell Jr. picked 20 pension executives and 20 money managers to explore emerging market investments.

Russell group aims for Eastern Europe

By Margaret Price

Pension fund executives from AT&T Co., General Motors Corp. and IBM Corp. are among the participants in a group of 20 pension funds and 20 money managers exploring investment opportunities and issues in emerging markets.

The group — the Russell 20-20 — was established by George F. Russell Jr., chairman and chief executive officer of The Frank Russell Co., Tacoma, Wash. Its current focus is on Eastern Europe, where there are many "American roots" and where there is an "expectation that investment opportunities are much broader there than in most emerging markets at this time," said Mr. Russell.

Money managers participating include Capital Guardian Trust Co., Los Angeles; INVESCO MIM Inc., Atlanta; and the investment arm of the Prudential Insurance Co. of America, Newark, N.J.

Mr. Russell, executives of the three funds and three money managers comprise the group's seven-member executive committee. The group began meeting in November; its second session was May 23.

Its mission now is to probe social, economic and political issues in Eastern Europe to glean information that could help participants make successful, prudent investments in the region.

Although several participants said they doubt their organizations would make or expand investments in Eastern Europe in the near future, Mr. Russell was more positive.

"Things have already happened that I'm not at liberty to discuss. When you put 40 people . . . in a room together and expose them to the kinds of investment opportunities (that emerged) because the Berlin Wall has fallen, a lot will happen."

"The capital required to bring the Soviet Union and Eastern Europe to a minimum competitive level with . . . the developed world will be large, and the

See **Russell** *on page 33*

Time Warner's investors cagey

Will they exercise or sell rights?

By Barry B. Burr

Institutional shareholders, trying to come to grips with Time Warner Inc.'s proposed stock rights offering, are being cagey about whether they'll exercise their rights or sell them.

Engaging in a bit of gamesmanship, they don't want to tip off each other, because the ultimate terms of the deal — indeed whether the rights offering comes off at all — depend on how many shareholders subscribe to it.

The uncertain terms, meantime, have left passive investors such as index funds frozen, unable to know how the deal will change Time Warner's value in the Standard & Poor's 500 Stock Index and thus how to proceed to weight the stock to avoid any tracking error.

Since Time Warner announced the rights offering, its common stock has lost more than $1 billion in value. That is one-third to one-half of the potential proceeds the new equity issue would raise for the company.

For institutions, their share of that loss amounts to more than $600 million.

Pension funds and other institutions, including index funds, held 60% of Time Warner's 57.5 million outstanding common shares as of March 31, according to the 13(f) filings complied by CDA Technologies Inc., Rockville, Md.

The terms of the offering involve investors in a guessing game. Those deciding to use their rights will have to exercise them without knowing the price they will have to pay and, once exercised, without any opportunity to revoke their subscription.

"We don't want the other players to know if we feel positive or negative about the offering," said Thomas Pinto, assistant public information officer for the $83 billion Teachers Insurance and Annuity Association — College Retirement Equities Fund, New York.

"That could leave other investors with an idea we will or won't purchase any shares." The fund held some 661,000 shares as of March 31, according to CDA.

Other funds and money managers, likewise fearing they'll reveal their cards or be accused of trying to influence shareholders, declined to comment.

"We're waiting for the rights to start trading" to see what price the market places on the deal before making a decision, said a portfolio manager with a Florida-based investment adviser.

"A holder would definitely have to be a longer-term investor" if one were to find anything attractive about the offering, said Jim C. Goss, vice president, Duff & Phelps Inc., Chicago, stressing "longer term" since, in the short term, investors have seen the stock's value erode.

Geri Hom, vice president and manager-portfolio management, Wells Fargo Nikko Investment Advisors, San Francisco, said her firm will wait until the last possible moment before the expiration of the offering to exercise the stock rights for its S&P 500 index fund. The fund, she said, wants to keep pace with the index, as com-

See **Investors** *on page 37*

Chrysler shifts gears in medical program

By Fred Williams

HIGHLAND PARK, Mich. — Chrysler Corp. has restructured its medical care program for salaried employees by scrapping traditional health coverage in favor of a defined contribution approach.

Shifting to a defined contribution approach for retiree medical expenses allows Chrysler to remove medical inflation from the calculation of its total liability under the Financial Accounting Standards Board's Statement 106. The medical inflation rate is one of the major factors influencing the huge liabilities associated with retiree medical.

Chrysler, one of the first major companies to extend the concept of flexible spending for medical benefits to retirees, made the shift June 1 to try to gain control over mushrooming medical costs and reduce retiree medical expenses.

In revamping its health care program, Chrysler has made use of many available elements such as flexible benefits, a 501(c)(9) trust, the existing 401(k) plan and a system of insurance buybacks and credit carryovers. The idea is to shift a portion of the company's medical expenses to users while making the program attractive enough to encourage participation

See **Chrysler** *on page 39*

NEWS DIGEST

AP/WIDE WORLD PHOTOS

Basketball star Isiah Thomas, in blue, is part owner of Alpha Capital Management, a new minority firm that will get investment help from Munder Capital. Page 6.

SPECIAL REPORT: INTERNATIONAL

Overseas assets grew 22%, *P&I*'s annual survey of top international/global managers finds. Page 19.

FINANCING

Time Warner's rights offering has institutional investors playing their cards close to the vest. Page 1.

Foreign companies would find adding U.S. investors to rights offerings easier under an SEC proposal. Page 3.

INTERNATIONAL

AT&T, General Motors and IBM are participating in Frank Russell's emerging markets explorations. Page 1.

Canadian pension funds avoid a proposed tax on non-Canadian equity investments. Page 3.

REAL ESTATE

The Alabama and Houston Municipal funds have made separate golf course investments. Page 3.

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Real estate survey is under way

Questionnaires for *Pensions & Investments*' annual survey of the largest real estate investment managers are being mailed this week. The deadline for return is July 28. Please contact Christine Philip at (312) 649-5217 if you believe your firm qualifies for inclusion, but has not received a questionnaire.

Feds focus on annuities

Employers' selection of providers could be regulated

By Hillary Durgin

WASHINGTON — The Labor Department and the Pension Benefit Guaranty Corp. last week unveiled joint proposals governing employers' selection of annuity providers.

The proposals, scheduled for publication June 21, are a first step toward examining whether federal regulation would be necessary to establish minimum standards for annuity purchases, administration officials said at a hearing before a subcommittee of the Senate Committee on Labor and Human Resources.

The announcement of the proposed guidelines, called advance notices of proposed rulemaking, coincided with the release by Sen. Howard Metzenbaum, D-Ohio, of a list of 47 companies that bought annuities from Executive Life Insurance Co., Los Angeles. The list included 36 companies that terminated their plans or those of subsidiaries and resulted in a total of about $800 million in surplus assets, Sen. Metzenbaum said.

The companies include Bulova Corp., Cannon Mills, Lone Star Steel, National Can and RJR Nabisco Inc.

Of the companies on the list, the Department of Labor named three under investigation for improper selection of annuity providers — McCrory Stores, Raymark Corp. and Revlon Inc. There may be more.

The latest moves reflect widespread acknowledgment that decisive action is necessary to preempt sustained participant losses resulting from the failure of Executive Life and potential losses resulting from financial instability in the insurance industry.

"Both the administration and the Congress will need to take further action to protect retirees," Sen. Metzenbaum said. "There is no reason that these retirees, who never chose to have their secure pensions transferred to Executive Life or any other insurer, should lose a penny of their retirement monies."

Announcement of the proposals follows on the heels of lawsuits brought by the Labor Department against two companies — Maxxam Inc. and MagneTek Inc. — that purchased annuities from Executive Life. Labor officials also sent letters to several other companies demanding they guarantee annuities purchased from insurers whose financial health they allegedly failed to consider.

"We're putting the greatest possible pressure on the businesses involved and the insurance industry to take constructive action," David George Ball, assistant sec-

See **Annuities** *on page 39*

Kansas board grills Ron Peyton

Callan's assignment may be in jeopardy

By Curtis Vosti

TOPEKA, Kan. — Consulting giant Callan Associates Inc. dodged a bullet at a June 14 board meeting of the Kansas Employees Retirement System, but may have been injured nonetheless.

System trustees, in the midst of sorting out more than $100 million in investment losses that prompted state and FBI investigations, spent most of the meeting grilling Callan President Ronald Peyton over his role as a consultant to the system since 1976. A tight-lipped Mr. Peyton, who read in that morning's paper that at least three of the seven trustees — six newly appointed in the past seven months — wanted to terminate Callan, repeatedly told the board he was not responsible for its investment losses.

Mr. Peyton and Callan survived the meeting with the job intact, for now. Board Chairman Walt

Callan's Ron Peyton survived the Kansas fund's meeting with Callan's job intact.

Cobler said during the meeting that he would like the board to seek new bids for consulting services and discontinue using soft dollar payments to Callan.

The board voted, however, to have Callan do a search for a manager to make a thorough evaluation of its $500 million real estate portfolio.

Callan has billed the system $245,000 — which includes $125,000 for real estate consulting services — so far in the fiscal year ended June 30 for services Mr. Peyton described as performance measurement, asset allocation, manager searches and other "projects" as assigned.

"I thought we had oversight, but all he (Mr. Peyton) said he does is monitor," said Mr. Cobler.

Mr. Peyton's place on the hot seat came as the board struggles to understand how the $4 billion system became embroiled in a scandal in its $300 million direct placement program. While Callan has not been directly implicated in the scandal, board members indicated they expected the consultant's role was to help them avoid faulty investments.

The system has sued one of its former direct placement managers — Reimer & Koger Associates Inc., Shawnee Mission, Kan. — for breaches of contract and fiduciary duty and fraud in connec-

See **Kansas** *on page 38*

California fund fighting back

By Steve Hemmerick

SACRAMENTO, Calif. — Trustees of the $66 billion California Public Employees' Retirement System directed their staff last week to fight Gov. Pete Wilson's efforts to reconfigure the retirement board.

They began mobilizing giant state employee groups and congressmen to battle the governor.

Meanwhile, State Assembly Speaker Willie Brown, who had been linked to legislation to reconfigure the board, came out against the proposal. State Controller Gray Davis and State Treasurer Kathleen Brown, who would lose their ex-officio retirement board seats if the legislation were passed, also attacked it.

U.S. Reps. Robert T. Matsui and Pete Stark, both California Democrats, sent letters to Gov. Wilson warning him that reconfiguration of the board could lead to the retirement system losing its federal tax-exempt status because assets would be used for state programs rather than for beneficiaries.

U.S. Rep. Edward Roybal, D-Calif., chairman of the House Select Committee on Aging, said he has begun a committee "inquiry" into the governor's "precedent-setting and legally questionable proposals" to reconfigure the board.

But Gov. Wilson continued his attack on the retirement system, calling it a "gold-plated" behemoth with "surplus cash."

He said the retirement system should help the state with its budget troubles.

After listening to three hours of employee-group testimony on Wednesday against reconfiguring the board, Jake Petrosino, a retirement board member, said: "I think the governor has been hurt" politically.

Charles Valdes, chairman of the retirement board's investment committee, promised a "state referendum" through California's ballot initiative process before the governor could take over the retirement system.

The action was the latest fusillade in an acrimonious dispute that has included allegations that state leaders were trying to rob the employees' system blind and emasculate its shareholder rights program, just as they have already done to the state teachers' fund.

The proposal would eliminate

See **Fight** *on page 39*

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Avon restructuring 401(k) plan options

By Joel Chernoff

NEW YORK — Avon Products Inc. has replaced two options and added another in its $132 million 401(k) salary reduction plan.

Elio Parroni, director-trust investments, said the changes will enhance the plan's investment options and make Avon's 401(k) more in line with proposals issued by the Department of Labor for participant-directed plans.

Under the Labor Department's proposed 404(c) rule, plans would have to offer at least three diversified investment options, excluding employer stock, to avoid certain fiduciary liability.

Avon officials decided to terminate Fidelity Institutional Retirement Services Co., Boston, which ran $12.5 million in its Retirement Growth Fund and $11.5 million in its Equity Income Fund.

Instead, Avon hired Provident Investment Counsel, Pasadena, Calif., to run a separate account for growth stocks that is "more tailor made to plan participants," Mr. Parroni said. Also, the 401(k) plan is large enough to afford a separate account, he explained.

Avon replaced the equity income fund, which usually contained 20% to 30% in fixed-income and convertible issues, with a Standard & Poor's 500 Stock Index fund managed by State Street Bank & Trust Co., Boston.

That way, participants get broad exposure to the stock market, while fees are kept at a minimum, Mr. Parroni said. Given "the ability of plan participants to determine their asset allocation, we feel (having) a pure equity exposure like the S&P index would be more appropriate."

Avon added the Merrill Lynch Treasury Fund to provide a money-market alternative to the guaranteed investment contract fund. Initial funding will be limited to proceeds from GICs maturing as of July 1.

The 401(k) plan has about $97 million invested in GICs. The fifth investment option is in company stock, which has about $11 million in assets.

Avon's $440 million defined benefit plan hired Trust Co. of the West, Los Angeles, to run a mortgage-backed securities portfolio that initially will be set at $20 million, but is expected to double in the next couple of years.

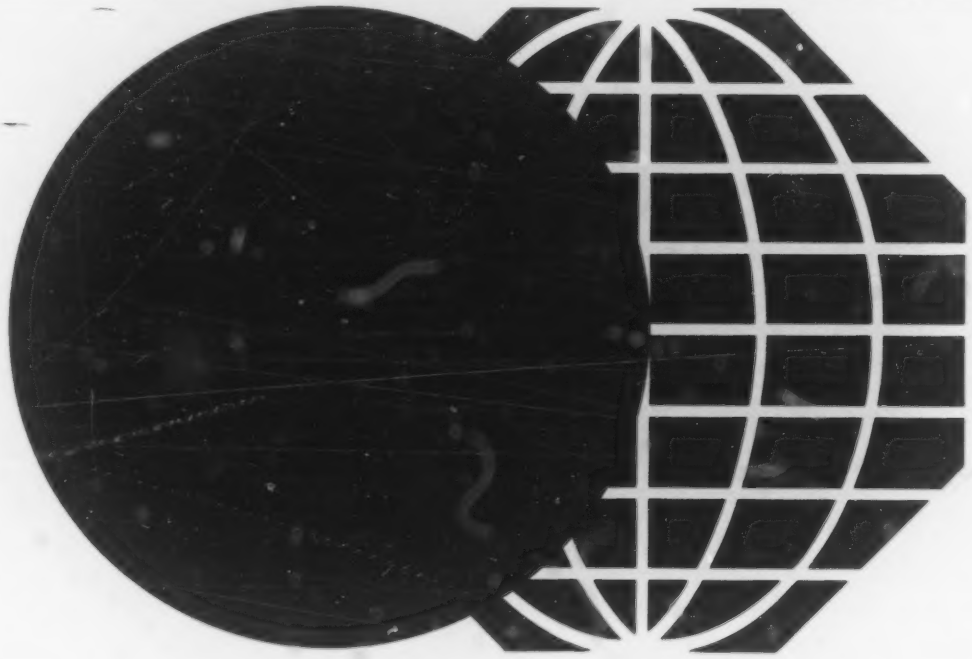
Assets for the mortgage-backed securities portfolio came from the fund's real estate and stock holdings, as part of an annual rebalancing, Mr. Parroni said. Avon previously announced a liquidation of its real estate investments, valued at $46.5 million. It is shifting those assets into fixed income.

Wilshire Associates, Santa Monica, Calif., advised on the mortgage-backed securities manager search and assisted on the defined contribution plan changes. ■

CORRECTIONS & CLARIFICATIONS

- A City Council Audit Committee recommended the Houston Municipal Employees Pension System put out a request for proposals for a general consultant and develop a three-year rotation policy for consultants. The committee did not recommend terminating **SEI Capital Resources**, the fund's consultant, as reported in the June 10 issue.

  SEI intends to respond to the RFP if the pension fund adopts the recommendation.
- **PCM International**'s telephone number was listed incorrectly in the May 20 issue. The number is (201) 912-7500.
- **Security Trust Co.** listed the wrong address in its response for the May 20 issue. The address is 2 N. Charles St., Baltimore, Md. 21201.



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INVESTING

Black gold, bonds unlikely bedfellows in asset derby

■ Oil and bonds were the top performing asset classes in the year ended June 1, a survey shows.

Although the two asset classes typically move in opposite directions, an economic slump propelled the bond market while the Persian Gulf war boosted oil prices, said the annual survey of financial and tangible assets published by Salomon Brothers Inc., New York.

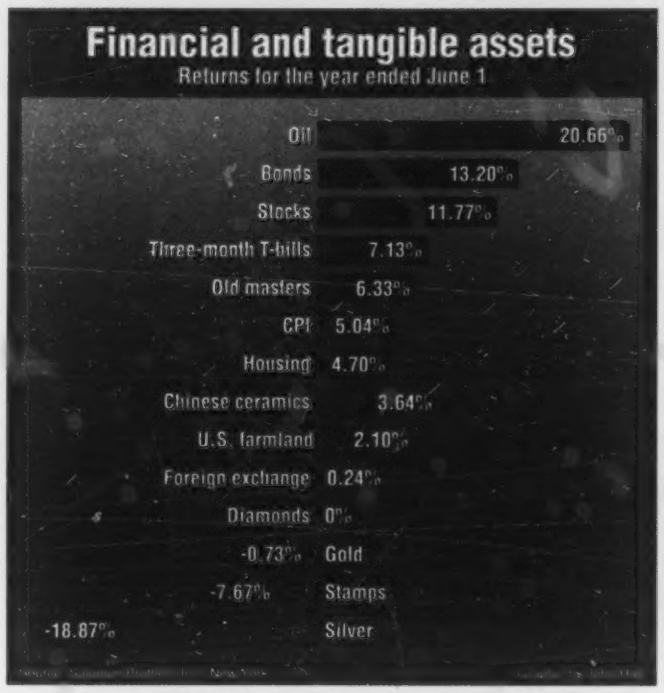
Other tangible asset classes fared poorly during the period, with returns below the inflation rate.

Financial assets reigned. Bonds, stocks and U.S. treasury bills were three of only five assets that had positive returns after adjusting for inflation. Old master paintings rounded out the five.

In another surprise, oil and gold — which typically move in tandem with each other and the inflation rate — had divergent returns during the period, reflecting the war's effect on energy prices and the economic climate in the Soviet Union.

"With their economy collapsing, the Soviets have been emptying their gold coffers to raise hard currency. And while they normally would be selling oil to take advantage of today's prices, exports have dwindled with the deterioration in the domestic oil industry," the report said.

Stocks should shine next year, Salomon predicted, as investors seek alternatives to poor-performing real estate.



The report noted investor confidence in the U.S. dollar has been restored because inflation is low and trending down, the United States achieved its goals in the Persian Gulf and the U.S. political environment is stable.

In addition, U.S. companies are raising equity in volumes not seen in several years. "This shift in corporate financing patterns signals the end of along period of exploding debt levels and eroding financial integrity," the report said.

WASHINGTON

Breeden hints at more oversight

■ Is Securities and Exchange Commission Chairman Richard C. Breeden going to try for greater SEC oversight of defined contribution plans as he has for banks and futures?

In his comments May 24 to the Investment Company Institute's annual meeting, Mr. Breeden observed: "Defined contribution plan participants who make their own investment decisions generally do not have the benefit of the disclosures required under the securities laws."

At a minimum, he added, "plan participants should have sufficient information to make meaningful investment decisions."

Mr. Breeden was referring to the fact that securities laws do not pertain to bank collective investment funds and insurance company separate accounts that are marketed to defined contribution plans. The Investment Company Institute, the trade association representing mutual funds, has been campaigning to bring these funds under SEC regulation.

Mr. Breeden is careful not to tread on the turf of the Department of Labor, which regulates these plans. He explained afterwards the agencies have discussed the issue.

"We don't want to have a gap between what (the 1974 Employee Retirement Income Security Act) and the securities law provides," he said.

But that doesn't necessarily mean defined contribution plans would have to be regulated by the 1940 Investment Company Act, he added.

FINANCING

Samsung unit completes global deal

■ Samsung Electronics Co. Ltd. has completed the sale of $100 million in Global Depository Shares in an international offering to institutional investors in Europe, Asia and the United States.

The international offering consisted of 2,479,972 shares sold primarily to institutional investors in Europe and Asia and 1,335,370 shares sold to U.S. institutional investors under Rule 144A.

The deal follows a December offering by another Samsung subsidiary, Samsung Corp. The issue was $40 million of which $20 million was offered to U.S. investors under Rule 144A.

Both deals were lead managed by The First Boston Corp. and Credit Suisse First Boston Ltd.

The shares were priced at a 27% premium to the underlying Korean shares. This reflects the strong international interest in Korean equities, according to Bryant Seaman, a director in the equity capital markets department of First Boston.

Samsung Electronics, which was the first company to pioneer the international capital markets in 1985 with a European convertible bond offering, is the major operating company of the Samsung Group, one of the largest business conglomerates in Korea, with 1990 sales revenue of $20.1 billion or more than 10% of total Korean GNP.

The government said it will open the Korean market to director foreign ownership in 1992.

REAL ESTATE

Manager seeks apartment hunters

■ The ideal real estate play for institutional investors is to buy existing apartments and refurbish them, principals of Marquette Property Investments, Chicago, believe.

Not surprisingly, Marquette is seeking pension money to do just that in suburban Chicago and Detroit. Plans are to purchase about 5,000 units in 20 deals for about $200 million. One $9.5 million deal is expected to close this month.

Pension funds should invest for four to five years — a full cycle in rental revenue growth — in areas with high employment growth and high household formation growth, said managing partners Bruno Bottarelli and Nick Ryan.

Their theory is rental revenue growth is a function of demand, and Chicago and Detroit are poised to face increased demand. The idea is to buy existing units in areas without a new apartment supply and with decreasing vacancies and increasing demand, they said. The rental market will tighten, and revenue growth will climb. New, higher-cost apartments will be built to meet the demand, and the new housing will drive all rental rates upward.

Messrs. Bottarelli and Ryan say cap rates have stayed steady at about 8% to 8½% for 20 years. The action, they note, is in rental revenue. Rents should increase an average of 7.7% annually for five years in their target markets, after staying flat for the previous five years.

TOM LINDEN

Existing apartment buildings in suburban growth areas are being touted as a good real estate play for pension fund investors.

INTERNATIONAL

U.S. and German debt loses favor with investors

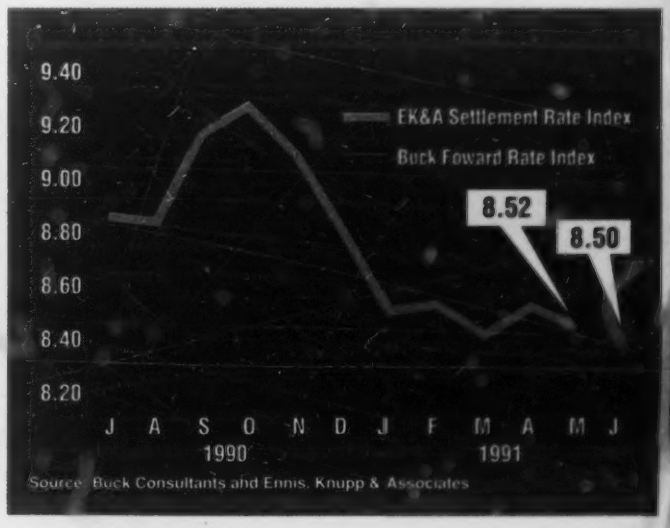
■ French franc, yen and European currency unit bonds became more attractive to European and Middle Eastern institutional investors in 1990, while the U.S. and German bond markets lost favor.

U.S. and German bonds, however, still account for the largest market share among European and Middle Eastern investors, according to a survey by Greenwich Associates, Greenwich, Conn.

During the first quarter of 1991, buyer interest continued in the ECU bond market, and rose in the Canadian dollar, Italian lira and Spanish peseta bond markets, reported David Bullock, a partner of Greenwich Associates. These markets afforded higher yields than the U.S. market's or featured a more stable currency than the dollar, Mr. Bullock explained.

European and Middle Eastern investors' purchases of U.S. dollar-denominated bonds dropped nine percentage points for the year ended Dec. 31 — to 25% of their total international bond purchases. Their purchases of deutsche mark bonds dropped four percentage points to 15%.

Interest rates partly explained the moves. While many European and Middle Eastern investors believed rates were on the upswing in Germany — and thus bad for the bond market — they expected lower rates and yields in the United States. Weakness in the U.S. dollar dampened some enthusiasm for U.S. bond investments.



PEOPLE

GM adds realty portfolio manager

■ General Motors Corp.'s pension fund has added Joseph D. Stecher as portfolio manager-real estate in its private market investments group.

Mr. Stecher was previously assistant vice president in the U.S. real estate group at Banque Indosuez, New York, with responsibilities in the acquisition and asset management areas.

Though his position is a new one, the addition of a portfolio manager does not indicate a major shift in real estate investing for the $36.3 billion pension fund, he said.

Money managers' foreign assets grow 22%

By Trudy Ring

International and global investments by U.S. tax-exempt institutions continued rising in the year ended March 31, with a 21.8% increase in assets run by international/global managers surveyed by *Pensions & Investments*.

The growth rate was less than the 38% posted in the previous 12-month period, but ahead of the growth that would have resulted from market appreciation alone. On a market-adjusted basis, the growth rate was 14.7%.

The growth slowed as investors digested foreign allocations made in the previous year. The slowdown also could reflect the fact that most larger investors already have invested overseas, so most of the new money is coming from small and midsize tax-exempt funds.

The total universe of managers ran $111.7 billion in international and global assets for U.S., tax-exempt institutional investors, up from $91.7 billion a year earlier. Managers are ranked by assets over which they have full discretion and which they themselves run.

Managers of managers and currency overlay managers are ranked separately.

The top 50 managers in the universe ran $99.2 billion as of March 31, a 19.2% increase from the $83.2 billion they had a year earlier. The $83.2 billion represented a 38% increase from 1989.

Accounts with international mandates were more popular than those with a global focus, reversing a two-year trend. The top 50 managers of international accounts ran $77 billion as of March 31, up 24.2% from a year earlier. This outstripped market appreciation: International equities, as measured by the Morgan Stanley Capital International Europe Australia Far East Index, rose just 2.9% in the year ended March 31; non-U.S. bonds, as measured by the J.P. Morgan Government Bond Index, rose 18.2%. About 84% of assets in the universe of international managers were in equities.

The top 50 managers of global accounts posted just a 6.3% increase, to $26.9 billion. Global equities, as measured by the Morgan Stanley Capital International World Index, appreciated 7% in the 12 months ended March 31. Global bonds, as measured by the Salomon World Bond Index, rose 10.6%. Among accounts with global mandates, about 57% of the assets were in equities.

Last year, international increased 29.6% and global, 60.4%.

Some managers and consultants said they have seen a bit of resistance to global investing by fund sponsors.

Toby Westbrook, senior vice president of San Francisco-based Callan Associates Inc., said his firm hasn't done a lot of global searches, although it is a proponent of global investing. Some sponsors prefer to deal with U.S. and international securities separately, he said.

At any rate, consultants said their clients still are keenly interested in international and global investing.

"All the surveys that I've seen indicate that plan sponsors plan to increase their commitments," said Bobbie Parkhill, principal of Ennis, Knupp & Associates, Chicago.

State Street Bank & Trust Co., Boston, ranked first among international/global managers for the fifth consecutive year. Its $9.4 billion in international and global assets combined represented a 20% increase from its year-ago figure. With only $40 million in global mandates, the bank is the largest international manager.

Despite State Street Bank's status as one of the biggest index fund managers, the biggest area of growth was in active equity strategies, said Peter Braun, vice president and director of marketing. More investors are attracted to highly structured, active investment processes, like those that the bank offers, he said.

"Our active strategy tends to be very much a core, well-diversified process," he added, so it's appealing to first-time international investors.

In passive strategies, Mr. Braun said, investors are tending to move away from tracking the capitalization-weighted EAFE index, instead selecting their own specialized weightings.

In the universe of international and global managers combined, about 84% of assets were in active strategies.

Ranked second for the second consecutive year was Brinson Partners Inc., Chicago. Its $8.1 billion in international and global accounts represented a 19% increase from a year ago.

"There continues to be the evolution of thinking on the part of both plan sponsors and consultants . . . that the true playing field is a global playing field," said Gary Brinson, president and chief investment officer.

Brinson Partners' accounts include $5.1 billion with global mandates — making it the largest global manager — and $3 billion with international mandates. Mr. Brinson noted investors tend to view fixed income globally, while seeing the equity markets as divided into U.S. and international components.

By the mid-1990s, he predicted, there will be a more global focus overall.

Rounding out the top 10 managers, Capital Guardian Trust Co., Los Angeles, and Baring International Investment, London, ranked in the third and fourth spots respectively, just as they had last year. Rowe Price-Fleming International Inc., Baltimore, moved up to fifth from seventh, and Schroder Capital Management International, New York, rose to sixth from eighth. J.P. Morgan Investment Management Inc., New York, dropped a notch, to seventh from sixth, and Wells Fargo Nikko Investment Advisors, San Francisco, slipped to eighth from fifth.

Grantham, Mayo, Van Otterloo & Co., Boston, moved up to ninth from 12th, and Nomura Capital Management Inc., New York, moved up to 10th from 15th. Batterymarch Financial Management, Boston, which had been 10th last year, dropped to 12th, and Morgan Stanley Asset Management, which had been ninth, fell to 25th (the asset figure reported in 1990 had been overstated).

A firm with major growth in the past year was PanAgora Asset Management, Boston, whose combined international and global assets rose nearly sixfold, to $2.8 billion from $490 million. It was 11th in the rankings, moving up from 39th.

Much of the growth came from short-term global fixed income, said Kim Kenly, general manager. "Pension funds are looking for ways to enrich their short-term securities allocation," he said. The global strategy has a higher yield than U.S. money market instruments and also provides a way for funds to get their feet wet in global investing, he said. "It seems to hit upon a lot of buttons."

In equities, clients have been attracted to the firm's country allocation strategy, which actively manages the exposure to each of the EAFE markets while indexing stocks within the markets, Mr. Kenly said.

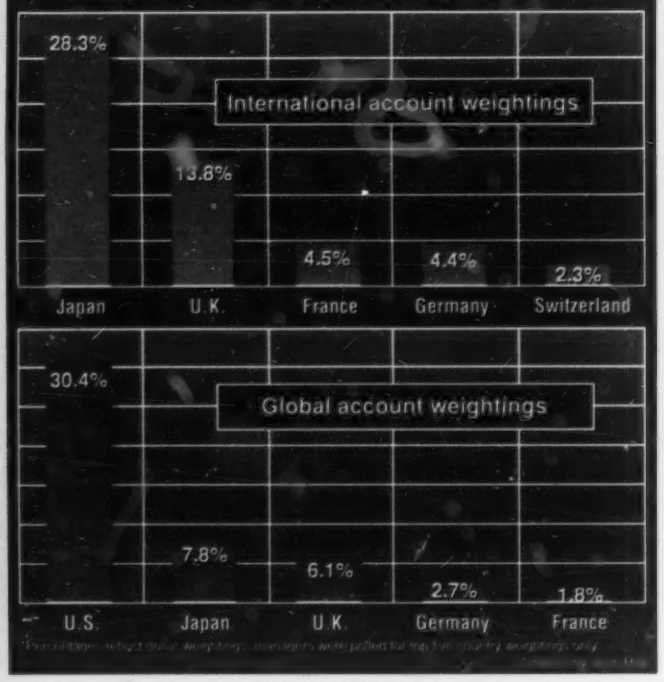
There were slight shifts in equity managers' country weightings in the past year. Among international accounts, Japan again had the heaviest weighting, 28.3%, up from 25.2% last year. The weightings are based on a composite of all accounts. The United Kingdom had the next highest, 13.8%, up from 11.5% a year ago.

France and Germany exchanged positions, with France edging into third place at 4.5% and Germany at 4.4%. Last year, Germany had a 10.9% weighting, and France had 7%. Switzerland was again fifth, with 2.3%, compared with 2.7% last year.

Among global accounts, the U.S. again had the highest weighting, 30.4%, slightly down from the 32.2% it had last year. Japan again came in second, although its weighting was down to 7.8% from 14.9%. The next three positions went to the same countries as last year, although each had its total weighting decrease: the United Kingdom, to 6.1% from 8.5%; Germany, to 2.7% from 7.6%; and France, to 1.8% from 4.1%.

Data for this story and the profiles and tables that follow came from responses to *P&I* questionnaires sent to all international and global money managers. To be profiled, a manager had to be ranked in *P&I*'s top 50 for global and/or international assets under management. All contents ©1991 Crain Communications Inc. Reproduction without permission is prohibited. ■

Japan, U.S. top equity draws*



Overseas managers

	U.S. $ millions		U.S. $ millions
2. Brinson Partners	8,121	65. Lombard Odier Int'l	343
4. Baring Int'l	4,351	67. Massachusetts Financial	313
6. Schroder Capital	3,845	69. Invesco MIM Int'l	290
8. Wells Fargo Nikko	3,419	71. Yamaichi Int'l	275
10. Nomura Capital	2,884	73. AMI Partners	258
12. Batterymarch Financial	2,744	75. Posthorn Global	247
14. World Invest	2,533	77. Burgess Capital	239
16. Morgan Grenfell	2,329	79. Franklin Resources *	200
18. Bankers Trust	2,135	81. Ivory & Sime Int'l	181
20. Global Fixed Income	1,807	83. Schroder Ventures	143
22. Globe Finlay	1,432	85. Prudential Asia	135
24. Fiduciary Trust	1,384	87. Security Capital	128
26. Acadian Asset	1,370	89. Sit/Kim Int'l	88
28. Payden & Rygel	1,200	91. Matuschka Group	86
30. Capital Research	1,033	93. Interinvest	78
32. Alliance Capital	915	95. Babson-Stewart Ivory	71
34. Putnam Cos.	876	97. AIG Global Investors	67
36. Scudder Stevens & Clark	814	99. GIM Global Advisors	60
38. Wellington Mgmt.	752	101. Wright Investors'	54
40. Julius Baer	706	103. Henderson Int'l	51
42. County NatWest	697	105. Foreign & Colonial	35
44. Aetna Capital	591	107. Harris Investment *	26
46. Daiwa Int'l	553	109. Baillie Gifford	24
48. Boston Overseas	541	111. Bessemer Trust	22
50. Travelers	513	113. Strategic Investment Partners	20
52. Arnhold & S. Bleichroeder	475	115. Johnson Capital	13
54. ANB Investment	440	117. Credit Suisse Asset	11
56. N.M. Rothschild	417	119. Gulfstream Global	8
58. Dunedin Fund	402	121. UBS Phillips & Drew	7
60. Citibank Investment	365	123. Millburn Corp.	2
62. Marvin & Palmer	350	125. Lang Asset	***

U.S. institutional, discretionary, tax-exempt assets
* as of Dec. 31
** P&I estimate
*** Less than $1 million

Acadian Asset Management

260 Franklin St., Boston, Mass. 02110; (617) 439-6141

Total assets managed	$1,450,000,000
Non-U.S. pension assets	$80,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$1,370,000,000
International	$1,340,000,000
Active equity accounts	$1,125,000,000
Other	$215,000,000
Global	$30,000,000
Active equity accounts	$30,000,000
U.S. tax-exempt clients	32
Minimum separate account	$25,000,000

Acadian Asset Management Inc.'s international equity assets were committed most heavily to Japan, Germany, Singapore, the United Kingdom and Hong Kong. Its global equity assets were committed most heavily to Japan, the United States, Canada, the United Kingdom and Denmark.

The firm uses a structured, disciplined, active multifactor approach. It systematically exploits characteristics such as low p/e and low p/b ratios and other pricing anomalies, at both the country and individual stock level.

Gary L. Bergstrom is chief investment officer; Churchill G. Franklin is client contact.

Aetna Capital Management International Ltd.

151 Farmington Ave., YCC1, Hartford, Conn. 06156; (203) 275-3711

Total assets managed	$690,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$591,000,000
International	$591,000,000
Active equity accounts	$232,000,000
Indexed equity accounts	$359,000,000
U.S. tax-exempt clients	177

Aetna Capital Management International Ltd.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and Switzerland.

Risk management and maximization of total return are achieved through broad diversification into efficient and liquid markets and stocks. Economic and fundamental value analysis is used for country, sector and stock selection.

Richard W. Overton is chief investment officer; Thomas V. Scanlon is client contact.

Alliance Capital Management L.P.

1345 Avenue of the Americas, New York, N.Y. 10105; (212) 969-1168

Total assets managed	$50,077,000,000
Non-U.S. pension assets	$3,308,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$27,172,000,000
International	$857,900,000
Active equity accounts	$519,000,000
Indexed equity accounts	$281,000,000
Active bond accounts	$57,000,000
Global	$58,000,000
Active equity accounts	$9,000,000
Indexed equity accounts	$49,000,000
U.S. tax-exempt clients	281
Minimum separate account	$10,000,000

Alliance Capital Management L.P.'s international equity assets were committed most heavily to Japan, the United Kingdom, the Netherlands, Canada and Switzerland. Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Germany and the Netherlands.

The firm is a research-driven, bottom-up fundamental growth stock investor. Value is added from security selection decisions. It does not ignore country/currency decisions and has developed quantitative models that assist in identifying attractive and unattractive markets and currencies.

The firm runs $200 million of discretionary tax-exempt assets in currency hedging programs; all of the underlying assets are managed internally.

Elizabeth M. Smith is client contact.

ANB Investment Management Co.

1 N. LaSalle St., Suite 600, Chicago, Ill. 60690; (312) 661-5586

Total assets managed	$16,122,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$15,047,000,000
International	$440,000,000
Indexed equity accounts	$440,000,000
U.S. tax-exempt clients	691

ANB Investment Management Co.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and Switzerland.

The firm offers a passive commingled fund designed to replicate the risk/reward characteristics of the EAFE index.

John R. Tilton is chief investment officer; Ken Sobolewski is client contact.

Arnhold and S. Bleichroeder

45 Broadway, New York, N.Y. 10006; (212) 943-9200

Total assets managed	$1,325,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$615,000,000
International	$475,000,000
Active equity accounts	$475,000,000
U.S. tax-exempt clients	14
Minimum separate account	$20,000,000

Arnhold and S. Bleichroeder Inc.'s international equity assets were committed most heavily to the United Kingdom, Switzerland, Mexico, Spain and France.

The firm manages highly concentrated portfolios (30 stocks) in international equities. It seeks fundamental value by comparing absolute and relative price/earnings and price/cash flow.

Howard B. Moss is chief investment officer; Frederic C. Reynolds is client contact.

Axe-Core Investors Inc.

400 Benedict Ave., Tarrytown, N.Y. 10591; (914) 333-5222

Total assets managed	$1,008,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$961,000,000
International	$343,000,000
Indexed equity accounts	$343,000,000
U.S. tax-exempt clients	7
Minimum separate account	$10,000,000

Axe-Core Investors Inc.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and Australia.

The firm offers a condensed portfolio constructed of the more liquid issues with a low sale re-balancing date. Custodial costs and settlement challenges are sidestepped by converting ordinary shares into DTC-eligible ADRs.

Robert A. Windsor is chief investment officer; Seth Lynn is client contact.

Julius Baer Investment Management

330 Madison Ave., New York, N.Y. 10017; (212) 297-3850

Total assets managed	$811,000,000
Non-U.S. pension assets	$79,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$706,000,000
International	$691,000,000
Active equity accounts	$15,000,000
Active bond accounts	$668,000,000
Balanced	$5,000,000
Global	$15,000,000
Active bond accounts	$15,000,000
U.S. tax-exempt clients	19
Minimum separate account	$10,000,000

Julius Baer Investment Management's investment policy is characterized by active country and currency allocation as well as active maturity management. Allocation decision are based on fundamental economic research, concentrating on top-quality issuers in strong, stable countries. Its portfolios primarily are composed of government and government-agency issues, with an AA minimum requirement for corporate issues.

Jonathan C. Minter is chief investment officer; Jay A. Dimberger is client contact.

Bankers Trust Co.

280 Park Ave., New York, N.Y. 10015; (212) 454-2215

Total assets managed	$105,958,000,000
Non-U.S. pension assets	$5,368,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$100,247,000,000
International	$2,135,000,000
Active equity accounts	$535,000,000
Indexed equity accounts	$1,468,000,000
Active bond accounts	$19,000,000
Indexed bond accounts	$113,000,000
U.S. tax-exempt clients	207
Minimum separate account	$15,000,000

Bankers Trust's international equity assets were committed most heavily to Japan, the United Kingdom, Germany, Switzerland and Malaysia.

The firm uses a top-down and sector-driven approach, incorporating both fundamental and quantitative disciplines. Regional specialist portfolio teams interpret key investment themes in the context of each market's characteristics.

The firm runs $600 million of discretionary tax-exempt assets in Smart Hedge and Currency Premium strategies; none of the underlying assets is managed internally.

H. Kent Atkins is chief investment officer; Laurie J. Oat is client contact.

Barclays de Zoete Wedd Investment Management

Seal House, 1 Swan Lane, London EC4R 3UD, U.K.; 071-623-7777

Total assets managed	$45,000,000,000
Non-U.S. pension assets	$44,865,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$135,000,000
Global	$135,000,000
Balanced	$135,000,000
U.S. tax-exempt clients	1
Minimum separate account	$25,000,000

Barclays de Zoete Wedd Investment Management Ltd.'s global equity assets were committed most heavily to the United States, Japan, Germany, Belgium and Switzerland.

The firm establishes an appropriate benchmark for each client to reflect its risk/return tolerance. This then determines the optimum asset allocation and stock selection process, generally with an index tracking, core/satellite or active approach.

Donald Brydon is chief investment officer; Jane Platt is client contact.

Opportunities in post-1992 Europe will be discussed Oct. 28.

We're changing the way

Baring International Investment

155 Bishopsgate, London EC2M 3XY, U.K.; 071-628-6000

Total assets managed	$4,947,000,000
Non-U.S. pension assets	$596,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$4,351,000,000
International	$4,334,000,000
Active equity accounts	$2,655,000,000
Active bond accounts	$1,679,000,000
Global	$17,000,000
Active equity accounts	$17,000,000
U.S. tax-exempt clients	45
Minimum separate account	$25,000,000

Baring International Investment's international equity assets were committed most heavily to Japan, Hong Kong, Switzerland, the United Kingdom and Singapore/Malaysia.

Its global equity assets were committed most heavily to Japan, the United Kingdom, France, the United States and Canada.

The firm's equity approach seeks growth potential given earnings strength, valuation levels and liquidity. EAFE, regional and country-specific mandates are offered. The fixed-income approach focuses on country/currency decisions and uses high-quality government issues. Forwards are actively used for hedging and cross hedging. Global, non-dollar and fully-hedged mandates are available.

Peter S. Hartley is chief investment officer; Michael F. Palone is client contact.

Batterymarch Financial Management

600 Atlantic Ave., Boston, Mass. 02210; (617) 973-9300

Total assets managed	$6,365,000,000
Non-U.S. pension assets	$1,305,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$4,545,000,000
International	$1,680,000,000
Active equity accounts	$1,680,000,000
Global	$1,094,000,000
Active equity accounts	$1,094,000,000
U.S. tax-exempt clients	23
Minimum separate account	$10,000,000

Batterymarch Financial Management's international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and Canada. The firm's global equity assets were committed most heavily to the United States, Japan, the United Kingdom, France and Germany.

The firm is a value-oriented, conservative adviser with a global perspective. It develops strategies to identify stocks that are underpriced. These strategies are then implemented using systematic, quantitative techniques.

Dean LeBaron is chief investment officer; James C. Pannell is client contact.

BEA Associates

153 E. 53rd St., New York, N.Y. 10022; (212) 832-2626

Total assets managed	$10,187,000,000
Non-U.S. pension assets	$280,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$8,648,000,000
International	$182,000,000
Active equity accounts	$182,000,000
U.S. tax-exempt clients	147
Minimum separate account	$5,000,000

BEA Associates' international equity assets were committed most heavily to Japan, Mexico, the United Kingdom, Malaysia and Germany.

The firm's investment philosophy generally focuses on identification of investment opportunities created by market inefficiencies.

The firm runs $131 million of discretionary tax-exempt assets in currency hedging; none of the underlying assets is managed internally.

William W. Priest is chief investment officer; Timothy Taussig is client contact.

Boston International Advisors Inc.

75 State St., Boston, Mass. 02109; (617) 345-9550

Total assets managed	$1,390,000,000
Non-U.S. pension assets	$23,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$1,097,000,000
International	$1,042,000,000
Active equity accounts	$604,000,000
Indexed equity accounts	$438,000,000
Global	$55,000,000
Active equity accounts	$55,000,000
U.S. tax-exempt clients	19
Minimum separate account	$25,000,000

Boston International Advisors Inc.'s international equity assets were committed most heavily to Japan, France, Italy, Spain and Australia. Its global equity assets were committed most heavily to Japan, the United States, France, the United Kingdom and Australia.

The firm provides exclusively quantitative international management. Value-driven quantitative techniques are used to allocate among the world markets and to select stocks within those markets. The firm also provides strategic currency hedging and customized index funds, such as GDP-weighted, regional and South Africa-free.

The firm runs $409 million of discretionary tax-exempt assets in currency hedging programs; all of the underlying assets are managed internally.

Lyle H. Davis is chief investment officer; Jennifer Dunning is client contact.

Boston Overseas Investors

125 Summer St., Boston, Mass. 02110; (617) 951-0004

Total assets managed	$745,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$541,000,000
International	$541,000,000
Active equity accounts	$541,000,000
U.S. tax-exempt clients	6
Minimum separate account	$40,000,000

The international equity assets of Boston Overseas Investors Inc., previously Marsh & Cunningham-Castergren International, were committed most heavily to the United Kingdom, France, Spain, Japan and Mexico.

The firm uses a top-down theme and country allocation discipline, followed by bottom-up stock selection.

The firm runs $958 million of discretionary tax-exempt assets in forward currency contracts of which $541 million are managed internally.

Hakan Castegren is chief investment officer; Edward E. Wendell Jr. is client contact.

Brandes Investment Management Inc.

12760 High Bluff Drive, Suite 160, San Diego, Calif. 92130; (619) 755-0239

Total assets managed	$150,000,000
Non-U.S. pension assets	$2,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$76,000,000
International	$15,000,000
Active equity	$15,000,000
Global	$61,000,000
Active equity accounts	$61,000,000
U.S. tax-exempt clients	100
Minimum separate account	$100,000

Brandes Investment Management Inc.'s international equity assets were committed most heavily to Mexico, the United Kingdom, the Netherlands, Hong Kong and Germany.

Its global equity assets were committed most heavily to the United States, Mexico, the Netherlands, the United Kingdom and Germany.

The firm applies strict Graham & Dodd analysis to identify undervalued securities worldwide. The approach is based solely on a bottom-up fundamental evaluation of individual companies.

Charles Brandes is chief investment officer; Barry O'Neil is client contact.

Brinson Partners Inc.

3 First National Plaza, Chicago, Ill. 60602; (312) 220-7100

Total assets managed	$16,486,000,000
Non-U.S. pension assets	$286,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$15,713,000,000
International	$3,045,000,000
Active equity accounts	$1,489,000,000
Active bond accounts	$1,556,000,000
Global	$5,076,000,000
Active equity accounts	$354,000,000
Active bond accounts	$306,000,000
Balanced	$3,916,000,000
U.S. tax-exempt clients	316
Minimum separate account	$10,000,000

Brinson Partners Inc.'s international equity assets were committed most heavily to the United Kingdom, Japan, Germany, Canada and France. Its global equity assets were committed most heavily to the United States, the United Kingdom, Japan, Germany and Canada.

The firm's emphasis is on global fundamental, economic value-based cash flow analysis. The process is disciplined and top-down. Broad diversification is sought both within and across countries. Risk control is emphasized.

Gary P. Brinson is chief investment officer; Edward C. Hamill is client contact.

Brown Brothers Harriman

59 Wall St., New York, N.Y. 10005; (212) 483-1818

Total assets managed	$14,465,000,000
Non-U.S. pension assets	$75,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$5,394,000,000
International	$394,000,000
Active equity accounts	$387,000,000
Active bond accounts	$7,000,000
Global	$103,000,000
Active equity accounts	$75,000,000
Active bond accounts	$28,000,000
U.S. tax-exempt clients	314
Minimum separate account	$10,000,000

Brown Brothers Harriman & Co.'s international equity assets were committed most heavily to Japan, the United Kingdom, France and Hong Kong. Global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Germany and France.

The firm manages equities by identifying companies, industries and markets with strong or improving revenue and earnings growth prospects. Fundamental analysis by country specialists in New York, London and Tokyo is emphasized.

Elbridge T. Gerry Jr. is chief investment officer; Paul A. Legvold is client contact.

The master trust and global custody directory will run Oct. 14.

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Burgess Capital Corp.

499 Seaport Court, Suite 201, Redwood City, Calif. 94063; (415) 369-4545

Total assets managed	$315,000,000
Non-U.S. pension assets	$72,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$239,000,000
International	$70,000,000
Active equity accounts	$70,000,000
Global	$169,000,000
Active equity accounts	$166,000,000
Balanced	$3,000,000
U.S. tax-exempt clients	16
Minimum separate account	$5,000,000

Burgess Capital Corp.'s international equity assets were committed most heavily to Australia, Malaysia, Singapore, Thailand and Spain. Its global equity assets were committed most heavily to Singapore, Malaysia, Australia, Spain and Thailand.

The firm emphasizes capital preservation and consistent long-term growth. The firm is risk-averse and uses a fundamental, top-down/bottom-up approach to invest in large- to medium-capitalization, high-quality, financially sound companies. The decision-making process is team-based.

Robert F. Burgess is chief investment officer and client contact.

Capital Guardian Trust Co.

333 S. Hope St., Los Angeles, Calif. 90071; (213) 486-9200

Total assets managed	$23,531,000,000
Non-U.S. pension assets	$392,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$22,557,000,000
International	$4,413,000,000
Active equity accounts	$4,287,000,000
Active bond accounts	$102,000,000
Balanced	$24,000,000
Global	$922,000,000
Active equity accounts	$679,000,000
Active bond accounts	$36,000,000
Balanced	$207,000,000
U.S. tax-exempt clients	157
Minimum separate account	$10,000,000

Capital Guardian Trust Co.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, Australia and France. Global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Germany and Sweden.

The firm uses a fundamental, value-oriented approach based on thorough research supported by direct management contacts. An additional focus is provided by analysts with country, economic, political and social overview responsibilities.

Richard C. Barker is chief investment officer; John H. Seiter is client contact.

Capital Research and Management Co.

333 S. Hope St., Los Angeles, Calif. 90071; (213) 486-9200

Total assets managed	$41,400,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$13,900,000,000
International	$489,000,000
Active equity accounts	$389,000,000
Active bond accounts	$4,000,000
Cash	$96,000,000
Global	$544,000,000
Active equity accounts	$439,000,000
Active bond accounts	$13,000,000
Cash	$92,000,000
Minimum separate account	$250,000

Capital Research and Management Co.'s international equity assets were committed most heavily to the United Kingdom, Japan, Germany, France and Australia. Its global equity assets were committed most heavily to the United States, the United Kingdom, Germany, Australia and Japan.

The firm's investment approach is fundamental, guided by thorough, detailed internal research and analysis based on extensive field work and direct company contact. The goal is to identify the difference between the underlying value of a company and the market price of its securities. Return on investment must be superior to alternatives.

R. Michael Shanahan is chief investment officer; Victor S. Sidhu is client contact.

Chase Investors Management Corp.

1211 Avenue of the Americas, 38th Floor, New York, N.Y. 10036; (212) 730-7300

Total assets managed	$27,609,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$18,925,000,000
International	$1,331,000,000
Indexed equity accounts	$1,150,000,000
Active bond accounts	$6,000,000
Cash	$175,000,000
Global	$7,000,000
Active bond accounts	$7,000,000
U.S. tax-exempt clients	225
Minimum separate account	$50,000,000

Chase Investors Management Corp.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and Switzerland.

A computer-based model guides development of portfolios to track the EAFE Index within client-designated ranges. A top-down approach assesses expected changes in bond and currency markets for international fixed-income portfolios.

The firm runs $579 million of discretionary tax-exempt assets in currency hedging; all of the underlying assets are managed internally.

Michael L. Schonberg is chief investment officer; Kinne S. Yon is client contact.

Citibank Investment Management

641 Lexington Ave., 4th Floor, New York, N.Y. 10043; (212) 559-9004

Total assets managed	$31,200,000,000
Non-U.S. pension assets	$1,041,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$365,000,000
International	$343,000,000
Active equity accounts	$315,000,000
Active bond accounts	$28,000,000
Global	$22,000,000
Active equity accounts	$18,000,000
Other	$4,000,000
U.S. tax-exempt clients	7
Minimum separate account	$10,000,000

Citibank Investment Management's international equity assets were committed most heavily to the United Kingdom, Japan, France, Australia and Germany. Its global equity assets were committed most heavily to the United States, the United Kingdom, Japan, Canada and Australia.

The firm has an active, top-down equity approach with a growth bias. Stock selections are screened, cash holdings are minimal and currency overlay is used. Its fixed-income strategy is active, with centralized country allocation and an emphasis on currency and duration management.

The firm runs $194 million of discretionary tax-exempt assets in currency overlay and hedging programs; all of the underlying assets are managed internally.

Philip Sherman is acting chief investment officer; Carolyn A. Peoples is client contact.

The Common Fund

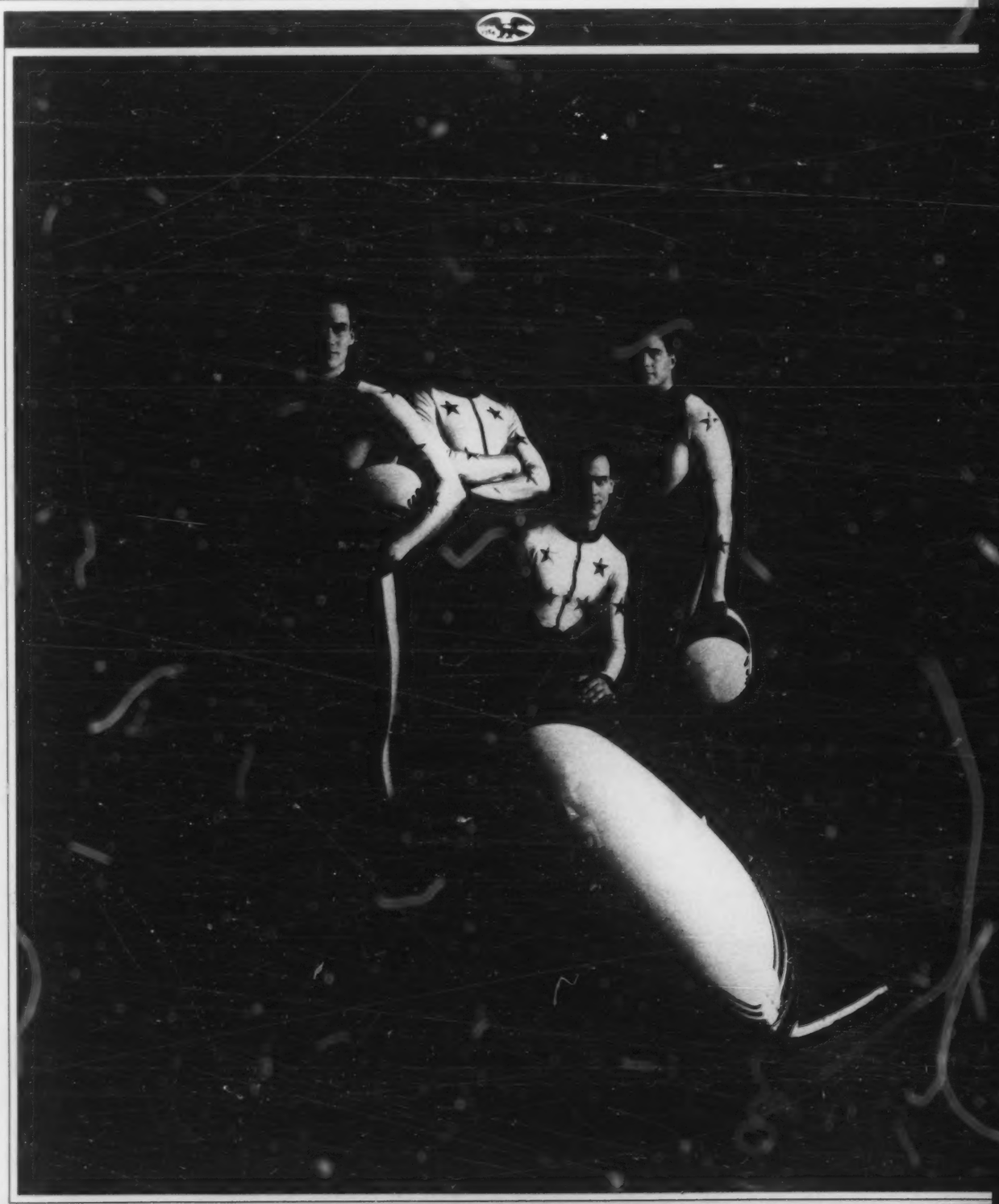
363 Reef Road, Fairfield, Conn. 06430; (203) 255-7000

Tax-exempt assets assigned to others:

Top 50 global account managers

	U.S. $ millions
Templeton Int'l	2,314
Global Fixed Income	1,661
TCW Global	1,430
Batterymarch Financial	1,094
Payden & Rygel	900
Pacific Investment	726
Capital Research	544
Fiduciary Trust	382
Globe Finlay	352
Lexington Mgmt.	256
Rogge Global	231
Morgan Grenfell	207
Franklin Resources *	200
Invesco MIM Int'l	172
Nikko Capital (U.S.A.)	169
Smith Barney Global	156
Philippe Investment	149
Barclays de Zoete Wedd	135
RCM Capital	120
Brown Brothers Harriman *	103
Lombard Odier	71
Interinvest	63
Van Eck Associates	60
Marathon-London	58
MacKay-Shields	52

U.S., institutional, discretionary, tax-exempt assets
* as of Dec. 31



International $1,098,000,000
Global $663,000,000

The Common Fund is a manager of managers.

The Fund for Global Bond Investments is a diversified portfolio with U.S. and foreign government bonds separately managed by five external managers. While currency management is an important factor, the principal opportunity lies in giving the managers the choice of all major world bond markets to offer the best returns.

Its International Equity Fund invests in 70% of the world's markets, allowing clients the opportunity to enhance portfolio return and diversification.

George F. Keane is chief investment officer; David K. Storrs is client contact.

County NatWest Investment Management Ltd.

Fenchurch Exchange, 43/44 Crutched Friars, London, EC3N 2NX, U.K.; 071-374-3000

Total assets managed $18,934,000,000
Non-U.S. pension assets $15,216,000,000
U.S. discretionary tax-exempt assets managed:
Total $697,000,000
International $603,000,000
Active equity accounts $30,000,000
Active bond accounts $23,000,000
Other $550,000,000
Global $94,000,000
Other $94,000,000
U.S. tax-exempt clients 5
Minimum separate account $15,000,000

County NatWest Investment Management Ltd. emphasizes active market allocation implemented through passive stock selection, using its own market representative funds. Quantitative techniques are used throughout the process to monitor and control risk.

The firm runs $980 million of discretionary tax-exempt assets in dynamic currency overlay strategies; the underlying assets aren't managed internally.

Roger Bartley is chief investment officer; Clark Hallmann is client contact.

Daiwa International Capital Management Corp.

200 Liberty St., 26th Floor, New York, N.Y. 10281; (212) 341-5402

Total assets managed $17,773,000,000
Non-U.S. pension assets $2,386,000,000
U.S. discretionary tax-exempt assets managed:
Total $553,000,000
International $553,000,000
Active equity accounts $540,000,000
Indexed equity accounts $13,000,000
U.S. tax-exempt clients 11
Minimum separate account $10,000,000

Daiwa International Capital Management Corp.'s international equity assets were committed most heavily to Japan, Malaysia, Hong Kong, Singapore and Australia.

The firm is a research-oriented active and quantitative manager, seeking incremental returns from the Pacific Basin region. It employs a top-down/bottom-up approach and relies on disciplined guidelines for buy/sell decisions.

Nobumasa Wakabayashi is chief investment officer; Jay S. Mancus is client contact.

Dimensional Fund Advisors

1299 Ocean Ave., 11th Floor, Santa Monica, Calif. 90401; (213) 395-8005

Total assets managed $5,708,000,000
U.S. discretionary tax-exempt assets managed:
Total $5,451,000,000
International $753,000,000
Indexed equity accounts ... $753,000,000
Global $12,000,000
Active bond accounts $12,000,000

Dimensional Fund Advisors Inc.'s international equity assets were committed most heavily to Japan, the United Kingdom, France, Germany and Italy.

The firm offers access to small-company investing in the four major international markets.

Rex A. Sinquefield is chief investment officer; David G. Booth is client contact.

Discount Corp. of New York Advisers

58 Pine St., New York, N.Y. 10005; (212) 248-8989

Total assets managed $4,067,000,000
U.S. discretionary tax-exempt assets managed:
Total $4,067,000,000
Global $148,000,000
Active bond accounts $148,000,000
U.S. tax-exempt clients 13
Minimum separate account $25,000,000

Discount Corp. of New York Advisers' global fixed-income approach uses the highest quality and most liquid U.S. and foreign securities, derivative instruments and key currencies. Duration adjustments, international allocations and and issue selections reflect ongoing fundamental and technical analysis of U.S. and foreign interest rate and exchange market trends/developments.

Patricia Klink is chief investment officer; Adrian M. Massie Jr. is client contact.

Dunedin Fund Managers Ltd.

Dunedin House, 25 Ravelston Terrace, Edinburgh EH4 3EX, Scotland, U.K.; 031-315-2500

Total assets managed $4,856,000,000
Non-U.S. pension assets $1,365,000,000
U.S. discretionary tax-exempt assets managed:
Total $402,000,000
International $337,000,000
Active equity accounts $292,000,000
Active bond accounts $45,000,000
Global $65,000,000
Active equity accounts $65,000,000
U.S. tax-exempt clients 6
Minimum separate account $10,000,000

Dunedin Fund Managers Ltd.'s international equity assets were committed most heavily to Japan, the United Kingdom, France, Germany and Hong Kong.

Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, France and Germany.

The firm's equity approach includes country/currency and stock selection decisions. Stock selection uses a systematic screening system, emphasizing value and momentum criteria. The approach stresses a long-term, low-turnover philosophy.

Alan S. Kemp is chief investment officer; Douglas B. Waggoner, (514) 499-9348, is client contact.

Fidelity Management Trust

82 Devonshire St., Boston, Mass. 02109; (617) 570-6161

Total assets managed $9,997,000,000
Non-U.S. pension assets $764,000,000
U.S. discretionary tax-exempt assets managed:
Total $8,560,000,000
International $704,000,000
Active equity accounts $704,000,000
U.S. tax-exempt clients 74
Minimum separate account $25,000,000

Fidelity Management Trust Co.'s international equity assets were committed most heavily to Japan, the United Kingdom, France, Germany and the Netherlands.

The firm combines active bottom-up stock selection with risk-controlled portfolio management.

Alexander Webb III is chief investment officer; Eugene M. Waldron is client contact.

Fiduciary Trust Co. International

2 World Trade Center, New York, N.Y. 10048; (212) 466-4100

Total assets managed $10,860,000,000
Non-U.S. pension assets $357,000,000
U.S. discretionary tax-exempt assets managed:
Total $5,448,000,000
International $1,002,000,000
Active equity accounts $92,000,000
Active bond accounts $910,000,000
Global $382,000,000
Active bond accounts $382,000,000
U.S. tax-exempt clients 194
Minimum separate account $10,000,000

Fiduciary Trust Co. International's international equity assets were committed most heavily to Japan, Singapore/Malaysia, the United Kingdom, France and Switzerland.

The firm uses a disciplined management style, concentrating on analyzing worldwide markets to build portfolios with the greatest potential for return within acceptable risk tolerance levels. Equity, bond and balanced accounts may be global or international, with currency management an integral part of its investment.

Jeremy H. Biggs is chief investment officer; Catherine K. Janson is client contact.

Fischer Francis Trees & Watts Inc.

717 Fifth Ave., New York, N.Y. 10022; (212) 350-8000

Total assets managed $17,400,000,000
Non-U.S. pension assets $830,000,000
U.S. discretionary tax-exempt assets managed:
Total $14,800,000,000
International $20,000,000
Active bond accounts $20,000,000
Global $1,500,000,000
Active bond accounts $1,500,000,000
U.S. tax-exempt clients 47

Fischer Francis Trees & Watts Inc. actively manages global, international and single-currency fixed-income portfolios. Within client-defined benchmarks and guidelines, portfolios are allocated among global markets; duration and foreign exchange exposures are determined within and across those markets.

Stephen C. Francis (London) and S. Bruce Kauffman (New York) are client contacts.

Franklin Resources Inc.

777 Mariners Island Blvd., San Mateo, Calif. 94404; (415) 378-8639

Total assets managed $47,000,000,000
U.S. discretionary tax-exempt assets managed:
Total $10,295,000,000
Global $200,000,000
Active bond accounts $200,000,000
Minimum separate account $10,000,000

Franklin Resources Inc., working within duration and currency exposure parameters, firm uses fundamental economic research to invest on a total return basis, relative to a benchmark index.

Rupert Johnson is chief investment officer; Jeff Murray is client contact.

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FX Concepts Inc.
100 Maiden Lane, New York, N.Y. 10038; (212) 363-7450

Currency overlay assets	$458,000,000
U.S. tax-exempt clients	15
Minimum separate account	$14,000,000

FX Concepts Inc., a foreign exchange manager, treats currency as a separate asset class; it does not manage any of the underlying assets.

The firm bases its approach on signals from a quantitative and technical proprietary model.

John R. Taylor is chief investment officer; John R. Serhant is client contact.

General Electric Investments
3003 Summer St., Sixth Floor, Stamford, Conn. 06905; (203) 326-2300

Total assets managed	$34,959,000,000
Non-U.S. pension assets	$59,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$28,066,000,000
International	$1,854,000,000
Active equity accounts	$1,854,000,000
Global	$10,000,000
Active equity accounts	$10,000,000
U.S. tax-exempt clients	10
Minimum separate account	$10,000,000

General Electric Investments' international equity assets were committed most heavily to Japan, the United Kingdom, France, Spain and Hong Kong. Its global equity assets were committed most heavily to Japan, the United Kingdom, the United States, France and Hong Kong.

The firm uses a top-down, bottom-up approach to find countries with favorable economic climates and companies that demonstrate potential for strong earnings growth and whose worth has not been fully recognized by the market. Its focus is on long-term market cycles and medium- to large-size companies. A two- to five-year horizon is used, with low turnover.

In addition to assets listed above, $790 million are managed on the firm's behalf by external managers.

The firm runs $2.756 billion in hedging and Nikkei options programs; $2.404 billion of the underlying assets are managed internally.

Arthur Bahr is chief investment officer; Geoffrey Norman is client contact.

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Global Fixed Income Advisors
751 Broad St., 2 Plaza, Newark, N.J. 07102; (201) 802-8062

Total assets managed	$5,031,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$1,807,000,000
International	$146,000,000
Active bond accounts	$146,000,000
Global	$1,661,000,000
Active bond accounts	$1,661,000,000
U.S. tax-exempt clients	34
Minimum separate account	$20,000,000

Global Fixed Income Advisors' fixed-income approach emphasizes fundamental analysis of currencies and bond markets, but uses technical analysis to take advantage of short-term opportunities as they arise in the marketplace.

The firm runs $412 million of discretionary tax-exempt assets in currency hedging programs; all of the underlying assets are managed internally.

Eileen A. Whalen is client contact.

Globe Finlay Inc.
200 Park Ave., New York, N.Y. 10166; (212) 557-7022

Total assets managed	$2,254,000,000
Non-U.S. pension assets	$757,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$1,432,000,000
International	$1,080,000,000
Active equity accounts	$1,080,000,000
Global	$352,000,000
Active equity accounts	$345,000,000
Balanced	$7,000,000
U.S. tax-exempt clients	40
Minimum separate account	$20,000,000

Globe Finlay Inc.'s international equity assets were committed most heavily to Japan, the Netherlands, Sweden, France and Germany. Its global equity assets were committed most heavily to Japan, the United States, the Netherlands, Switzerland and Germany.

The firm manages active equity portfolios with global, EAFE, Europe-only, Japan-only and Pacific Basin mandates. The investment process is top-down, bottom-up with stock selection based on identifying well-managed companies with credible, sustainable growth rates and that are valued attractively according to local market criteria.

Francis Finlay is chief investment officer; Mr. Finlay and Ruth Schladovsky is client contact.

Grantham, Mayo, Van Otterloo & Co.
40 Rowes Wharf, Boston, Mass. 02110; (617) 330-7500

Total assets managed	$8,541,000,000
Non-U.S. pension assets	$588,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$7,458,000,000
International	$2,356,000,000
Active equity accounts	$2,356,000,000
Global	$881,000,000
Active equity accounts	$881,000,000
U.S. tax-exempt clients	124
Minimum separate account	$50,000,000

Grantham, Mayo, Van Otterloo & Co.'s international equity assets were committed most heavily to the United Kingdom, Germany, the Netherlands, France and Japan.

In its active portfolios, the firm emphasizes economic value over the many non-economic reasons for owning stocks that collectively constitute "comfort" in the eyes of other investors. Its quantitative portfolios have a value bias, but are managed using an approach that combines value-, momentum- and neglect-based stock selection criteria.

Eyk Van Otterloo and Jeremy Grantham are chief investment officer; Susan K. Randall is client contact.

G.T. Capital Management
50 California St., 27th Floor, San Francisco, Calif. 94111-4624; (415) 392-6181

Total assets managed	$4,410,000,000
Non-U.S. pension assets	$100,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$543,000,000
International	$435,000,000
Active equity accounts	$401,000,000
Active bond accounts	$15,000,000
Cash	$19,000,000
Global	$108,000,000
Active equity accounts	$100,000,000
Active bond accounts	$4,000,000
Cash	$4,000,000
U.S. tax-exempt clients	5
Minimum separate account	$10,000,000

G.T. Capital Management Inc.'s international equity assets were committed most heavily to Japan, Hong Kong, the United Kingdom, Spain and Germany. Its global equity assets were committed most heavily to the United States, Hong Kong, Japan, France and Germany.

The firm's equity approach emphasizes early identification of major international trends, targeting appropriate countries and companies through which to exploit these trends. Its fixed-income strategy focuses on currency management, emphasizing flexible maturity rates.

F. Christian Wignall is chief investment officer; Earle A. Malm II is client contact.

HD International
126 E. 56th St., New York, N.Y. 10022; (212) 753-0600

Total assets managed	$1,503,000,000
Non-U.S. pension assets	$464,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$827,000,000
International	$820,000,000
Active equity accounts	$777,000,000
Balanced	$43,000,000
Global	$7,000,000
Active equity accounts	$7,000,000
U.S. tax-exempt clients	20
Minimum separate account	$20,000,000

HD International's international equity assets were committed most heavily to Japan, the United Kingdom, France, Switzerland and Germany. Its global equity assets were committed most heavily to the United States, the United Kingdom, France, Japan and Switzerland.

The firm is a top-down growth manager with strict valuation disciplines. Clear definitions of growth are applied to country/sector/stock selection. Country allocations are driven by internal rate-of-return country forecasts.

James Heyworth-Dunne is chief investment officer; Francine R. Elster is client contact.

Hill Samuel/Investment Advisers Ltd.
1100 Dain Tower, Box 357, Minneapolis, Minn. 55940; (612) 371-7780

Total assets managed	$885,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$880,000,000
International	$857,000,000
Active equity accounts	$824,000,000
Balanced	$33,000,000
Global	$23,000,000
Active equity accounts	$13,000,000
Active bond accounts	$10,000,000
U.S. tax-exempt clients	30
Minimum separate account	$15,000,000

Hill Samuel/Investment Advisers Ltd.'s international equity assets were committed most heavily to the United Kingdom, Japan, Australia, Germany and the Netherlands.

Its global equity assets were committed most heavily to the United Kingdom, the United States, Japan, Australia and the Netherlands.

The firm's investment approach is value oriented.

Roy Gillson is chief investment officer; Anne Holloran is client contact.

IDS International Inc.
IDS Tower 10, Minneapolis, Minn. 55440; (612) 372-1335

Total assets managed	$1,329,000,000
Non-U.S. pension assets	$367,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$696,000,000
International	$547,000,000
Active equity accounts	$478,000,000
Other	$69,000,000
Global	$149,000,000
Active equity accounts	$149,000,000
U.S. tax-exempt clients	19
Minimum separate account	$10,000,000

IDS International Inc.'s international equity assets were committed most heavily to Japan, Switzerland, France, Germany and the United Kingdom. Its

Firms assigning assets to others

	U.S. $ millions		
	Total	International	Global
Common Fund	1,761	1,098	663
General Electric	790	790	0
Vanguard Group	677	677	0
Boatmen's Trust	129	129	0

U.S. institutional, discretionary tax-exempt assets

global equity assets were committed most heavily to the United States, Japan, France, Switzerland and the United Kingdom.

The firm's approach is top-down, bottom-up. Based on a macroeconomic, geopolitical overview, assets are allocated among stocks, bonds and cash; currency views are taken; and countries are distributed into economic categories and weighted. Stocks are actively selected through fundamental analysis. Its passive strategy selects stocks through optimization designed to simulate a specified benchmark.

Peter L. Lamaison is chief investment officer; Diane K. Vener is client contact.

Interinvest Corp.

84 State St., Boston, Mass. 02109; (617) 723-7870

Total assets managed	$127,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$78,000,000
International	$15,000,000
Active equity accounts	$13,000,000
Active bond accounts	$2,000,000
Global	$63,000,000
Active equity accounts	$60,000,000
Active bond accounts	$1,000,000
Balanced	$2,000,000
U.S. tax-exempt clients	36
Minimum separate account	$1,000,000

Interinvest Corp.'s international equity assets were committed most heavily to Japan, Hong Kong, Spain, Australia and Singapore. Its global equity assets were committed most heavily to the United States, Japan, Hong Kong, Australia and Singapore.

The firm's asset allocation approach is top-down, using macroeconomic, political and currency analysis to determine country, currency and sector weighting.

Hans P. Black is chief investment officer; Stanley T. Schmidt is client contact.

Invesco MIM International

101 E. 52nd St., 25th Floor, New York, N.Y. 10022; (212) 888-5820

Total assets managed	$629,000,000
Non-U.S. pension assets	$339,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$290,000,000
International	$118,000,000
Active equity accounts	$118,000,000
Global	$172,000,000
Active equity accounts	$55,000,000
Active bond accounts	$29,000,000
Balanced	$88,000,000
U.S. tax-exempt clients	9
Minimum separate account	$10,000,000

Invesco MIM International's international equity assets were committed most heavily to Japan, the United Kingdom, Hong Kong, Australia and Switzerland. Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Hong Kong and Australia.

The firm's asset allocation/country weightings are top-down. Security selection is bottom-up, based on company fundamentals in local market contexts. Its equity approach is value-oriented, using sector rotation. Its fixed-income strategy employs objective analysis of relative liquidity and available real yields.

Donald Walker is chief investment officer; Frank J. Keller is client contact.

Lexington Management

Park 80 W., Plaza Two, Saddle Brook, N.J. 07662; (201) 845-7300

Total assets managed	$2,273,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$820,000,000
International	$16,000,000
Active bond accounts	$16,000,000
Global	$256,000,000
Active equity accounts	$256,000,000
U.S. tax-exempt clients	43
Minimum separate account	$10,000,000

Lexington Management Corp.'s global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Germany and France.

The firm treats equities worldwide as a single asset class. It attempts to isolate the best ideas — stocks, themes, sectors, countries or currencies — in its investment strategies.

William S. Stack is chief investment officer; Joseph Barcic Jr. is client contact.

Lombard Odier International Portfolio Management Ltd.

Norfolk House, 13 Southampton Place, London, WC1 2AJ, U.K.; 71-831-2350

Total assets managed	$3,097,000,000
Non-U.S. pension assets	$139,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$343,000,000
International	$272,000,000
Active equity accounts	$115,000,000
Active bond accounts	$157,000,000
Global	$71,000,000
Active equity accounts	$71,000,000
U.S. tax-exempt clients	6
Minimum separate account	$10,000,000

Lombard Odier International Portfolio Management Ltd.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, Southeast Asia and France. Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Canada and Germany.

The firm uses a top-down approach for strategic asset allocation and a bottom-up approach for stock selection, with assets divided between the Far East and Europe following market analysis.

Robert van Maasdijk is chief investment officer; James C. Vogelzang, (303) 629-1900, is client contact.

MacKay-Shields Financial

9 W. 57th St., New York, N.Y. 10019; (212) 230-3895

Total assets managed	$7,107,000,000
Non-U.S. pension assets	$920,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$5,460,000,000
International	$34,000,000
Active equity accounts	$34,000,000
Global	$52,000,000
Active equity accounts	$52,000,000
U.S. tax-exempt clients	59
Minimum separate account	$30,000,000

MacKay-Shields Financial Corp.'s international equity assets were committed most heavily to Japan, the United Kingdom, Australia, Spain and Hong Kong. Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Australia and Spain.

The firm's equity approach uses active country allocation, driven by quantitative valuation models. Its fixed-income approach emphasizes active country allocation, with active management of duration and yield curves within countries secondary. Currency hedging is used at extremes.

Christina Seix is chief investment officer; Krista M. Woodall is client contact.

Marathon-London

140A Gloucester Mansions, Cambridge Circus, London, WC2H 8HD, U.K. 71-497-2211

Total assets managed	$300,000,000
Non-U.S. pension assets	$52,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$76,000,000
International	$12,000,000
Active equity accounts	$12,000,000
Global	$58,000,000
Active equity accounts	$58,000,000
U.S. tax-exempt clients	4
Minimum separate account	$25,000,000

Marathon-London's international equity assets were committed most heavily to Japan, the United Kingdom, Germany, Singapore and France. Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Singapore and Germany.

The firm uses flexible, qualitative disciplines adaptable to changing economic environment and different markets. To minimize risk, separate tools are used to identify attractive countries, sectors and companies.

Jeremy J. Hosking is chief investment officer; Helen Blanchard, (203) 268-0105, is client contact.

Marvin & Palmer Associates

1 Commerce Center, Suite 1100, Wilmington, Del. 19801; (302) 573-3570

Total assets managed	$530,000,000
Non-U.S. pension assets	$150,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$350,000,000
International	$230,000,000
Active equity accounts	$230,000,000
Global	$120,000,000
Active equity accounts	$120,000,000
U.S. tax-exempt clients	17
Minimum separate account	$10,000,000

Marvin & Palmer Associates Inc.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, Scandinavia and Mexico. Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Germany and Mexico.

The firm has a top-down philosophy, with focus on country, currency, theme and individual stock analysis.

David Marvin is chief investment officer; Jon Stallonius is client contact.

Massachusetts Financial Services

500 Boylston St., Boston, Mass. 02116; (617) 954-5757

Total assets managed	$25,560,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$1,938,000,000
International	$48,000,000
Active bond accounts	$48,000,000
Global	$265,000,000
Active bond accounts	$265,000,000
U.S. tax-exempt clients	23
Minimum separate account	$20,000,000

Massachusetts Financial Services identifies undervalued world government bond and currency markets through fundamental valuation and active management. It emphasizes diversification and innovative hedging strategies to control risk and maximize total return.

The firm runs $56 million of discretionary tax-exempt assets in currency hedging, options and futures programs; all of the underlying assets are managed internally.

A. Keith Brodkin is chief investment officer; Ellen M. McCaffery is client contact.

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Clemente Capital, Inc., owned and operated by Lilia C. Clemente, believes that immense benefits accrue to those investors with the vision to seek worldwide opportunities. This vision is reflected within Clemente Capital itself. A beautiful mosaic, its people mirror the unique contribution each culture makes to the global community. Representing fifteen nations and speaking twenty languages, our global vision appears through the eyes of a variety of different cultures—and thus we **go global while thinking local.**

CLEMENTE CAPITAL, INC.
767 THIRD AVENUE, NEW YORK, NY 10017
PHONE: (212) 759-3339 FAX: (212) 759-1090

Clemente Capital, Inc.

Matuschka Group
15 Valley Drive, Greenwich, Conn. 06831; (203) 869-5866

Total assets managed $3,572,000,000
Non-U.S. pension assets $201,000,000
U.S. discretionary tax-exempt assets managed:
Total $86,000,000
International $86,000,000
Active equity accounts $86,000,000
U.S. tax-exempt clients 1
Minimum separate equity account $10,000,000
Minimum currency account $50,000,000

Matuschka Group's international equity assets were committed most heavily to Japan, the United Kingdom, Germany, Austria and Switzerland.

The firm's equity approach emphasizes stability of country weightings. It also considers active industry rotation and active currency management. Its currency management approach is fundamental and technical, and attempts to exploit currency trends.

The firm runs $709 million of discretionary tax-exempt assets in currency overlay programs; $86 million of the underlying assets are managed internally.

Michael Kraemer is chief investment officer; Christopher J. Carey is client contact.

Mercator Asset Management
2400 E. Commercial Blvd., Fort Lauderdale, Fla. 33308; (305) 771-9660

U.S. discretionary tax-exempt assets managed:
International $1,000,000,000

The above assets are a *Pensions & Investments* estimate. The firm would not complete a questionnaire.

Mitchell Hutchins Asset Management Inc.
1285 Avenue of the Americas, New York, N.Y. 10019; (212) 713-4000

Total assets managed $31,667,000,000
Non-U.S. pension assets $391,000,000
U.S. discretionary tax-exempt assets managed:
Total $9,486,000,000
Global accounts $356,000,000
Active bond accounts $356,000,000
U.S. tax-exempt clients 315
Minimum separate account $10,000,000

Mitchell Hutchins Asset Management Inc. offers several products. The investment approach varies with each product.

Stephen E. Canter and Paul A. Becker are chief investment officers; Sallie E. Proctor is client contact.

Morgan Grenfell Investment Services Ltd.
20 Finsbury Circus, London, EC2M 1NB, U.K.; 71-256-7500

Total assets managed $2,843,000,000
Non-U.S. pension assets $97,000,000
U.S. discretionary tax-exempt assets managed:
Total $2,340,000,000
International $2,122,000,000
Active equity accounts ... $1,947,000,000
Active bond accounts $95,000,000
Balanced $80,000,000
Global $207,000,000
Active equity accounts $17,000,000
Active bond accounts $190,000,000
U.S. tax-exempt clients 33
Minimum separate account $10,000,000

Morgan Grenfell Investment Services Ltd.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, Switzerland and Australia.

Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Switzerland and Australia.

The firm's equity strategy takes a bottom-up approach with emphasis on growth stock selection. Market allocation and currency analysis are secondary. Its fixed-income approach combines active management of currencies, bond markets and issues. Currency and bond market exposure decisions are separated through currency hedging in the forward and currency options markets. Bond market and issue selection are separated through the use of international bond futures.

The firm runs $36 million of discretionary tax-exempt assets in international bond futures; the underlying assets aren't managed internally.

Michael Bullock is chief investment officer; James E. Minnick is client contact.

The master trust/custody and global custody directory will be published Oct. 14.

J.P. Morgan Investment Management Inc.
522 Fifth Ave., New York, N.Y. 10036; (212) 837-2300

Total assets managed $65,330,000,000
Non-U.S. pension assets $678,000,000
U.S. discretionary tax-exempt assets managed:
Total $45,147,000,000
International $3,493,000,000
Active equity accounts ... $1,512,000,000
Active bond accounts $1,840,000,000
Balanced $141,000,000
Global $199,000,000
Active equity accounts $104,000,000
Active bond accounts $95,000,000
U.S. tax-exempt clients 500

J.P. Morgan Investment Management Inc. actively manages asset mix, currency exposure and security selection to maximize total return and minimize risk in U.S. dollars through a systematic decision-making process. Strategies are tailored to meet client objectives.

The firm runs $3.631 billion of discretionary tax-exempt assets in currency hedging; $514 million of the underlying assets are managed internally.

David L. Brigham is chief investment officer; John R. Thomas is client contact.

Morgan Stanley Asset Management
1221 Avenue of the Americas, 21st Floor, New York, N.Y. 10020; (212) 296-7179

Total assets managed $18,771,000,000
Non-U.S. pension assets $135,000,000
U.S. discretionary tax-exempt assets managed:
Total $15,699,000,000
International $1,161,000,000
Active equity accounts ... $1,129,000,000
Balanced $32,000,000
Global $215,000,000
Active equity accounts $215,000,000
U.S. tax-exempt clients 387
Minimum separate account $10,000,000

Morgan Stanley Asset Management's international equity assets were committed most heavily to Japan, Germany, the Netherlands, the United Kingdom and Switzerland.

Its global equity assets were committed most heavily to the United States, Germany, Japan, the United Kingdom and Canada.

The firm uses a bottom-up, value-oriented approach. Its selective process relies heavily on fundamental analysis and screening of international data bases. Currency decisions are made separately.

Top 50 international account managers

	U.S. $ millions
Capital Guardian	4,413
Rowe Price-Fleming Int'l	3,861
J.P. Morgan	3,493
Brinson Partners	3,045
Oechsle Int'l	2,492
Bankers Trust	2,135
General Electric	1,854
Batterymarch Financial	1,680
Chase Investors	1,331
Morgan Stanley	1,161
Boston Int'l	1,042
Mercator Asset **	1,000
Alliance Capital	857
HD Int'l	820
Wellington Mgmt.	719
Julius Baer	691
Aetna Capital	591
Scudder Stevens & Clark	564
IDS Int'l	547
Travelers	513
Arnhold & S. Bleichroeder	475
ANB Investment	440
Brown Brothers Harriman *	394
N.M. Rothschild	386
Citibank Investment	343

U.S., institutional, discretionary, tax-exempt assets
* as of Dec. 31
** P&I estimate

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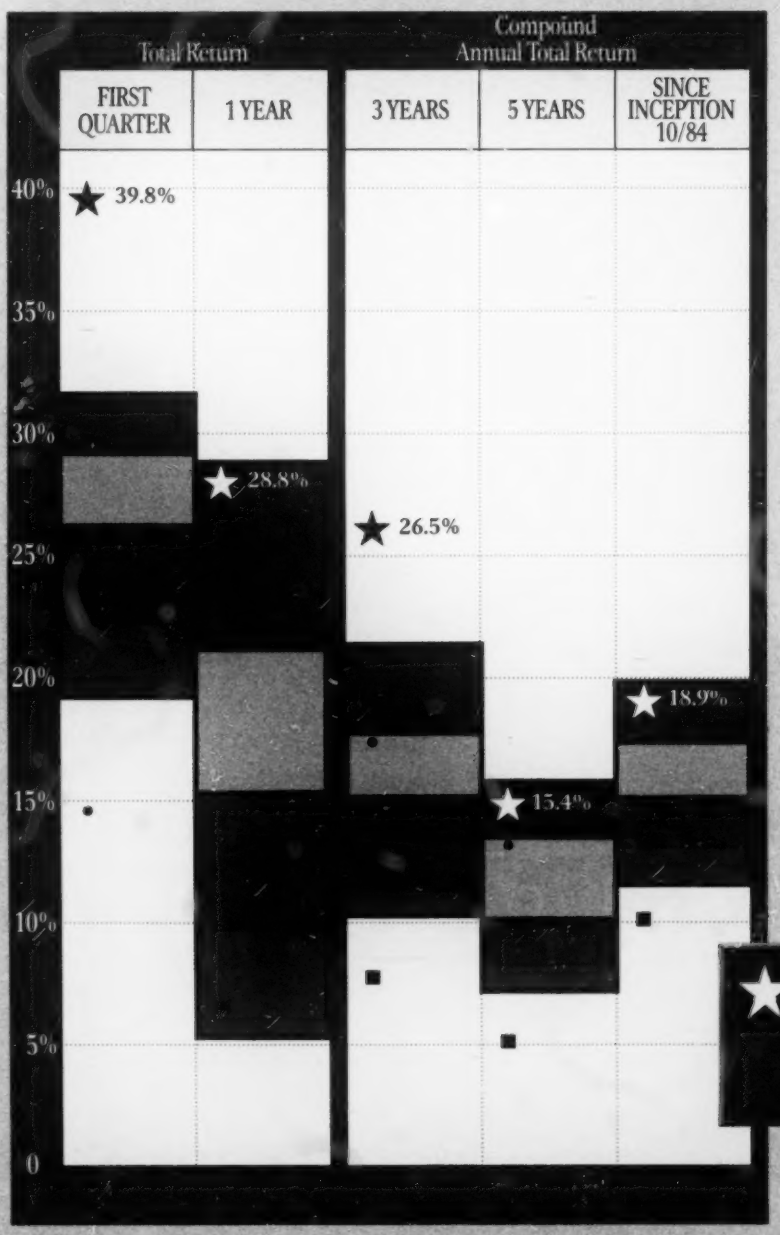

★ *Texas Commerce Special Equity Fund* ● *S&P 500 Stock Index* ■ *Russell 2000 Small Stock Index*
All periods ending 3/31/91. Source: Callan Associates, Small Capitalization Equity Universe.

The Texas Commerce Special Equity Fund.

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For further information please contact
Angela Z. Allen, President

3060 Peachtree Road NW
Suite 225
Altanta, GA 30305
(404) 364-2188

Barton M. Biggs is chief investment officer; Patricia Blake is client contact.

Nikko Capital Management (U.S.A.) Inc.

350 Park Ave., New York, N.Y. 10022; (212) 319-2730

Total assets managed	$1,990,000,000
Non-U.S. pension assets	$18,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$436,000,000
International	$267,000,000
Active equity accounts	$170,000,000
Indexed equity accounts	$97,000,000
Global	$169,000,000
Indexed equity accounts	$169,000,000
U.S. tax-exempt clients	5
Minimum separate account	$5,000,000

Nikko Capital Management (U.S.A.) Inc.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and Switzerland. Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, France and the Netherlands.

The firm offers active strategies for global and international in which quantitative models are used in the decision-making process, especially for Japan and the Pacific Basin. Specialized products include active strategies that invest in Japanese small-cap stocks and Pacific Basin emerging markets.

Stanley Kirtman is chief investment officer; David Rochman is client contact.

Nomura Capital Management

180 Maiden Lane, Suite 2903, New York, N.Y. 10038; (212) 509-8181

Total assets managed	$3,454,000,000
Non-U.S. pension assets	$17,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$2,887,000,000
International	$2,858,000,000
Active equity accounts	$2,770,000,000
Active bond accounts	$88,000,000
Global	$26,000,000
Active equity accounts	$26,000,000
U.S. tax-exempt clients	24
Minimum separate equity account	$5,000,000
Minimum separate bond account	$10,000,000

Nomura Capital Management Inc.'s international equity assets were committed most heavily to Japan, the United Kingdom, Australia, Malaysia and Hong Kong.

Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, France and Germany.

The firm provides global, non-U.S. or regional investments with concentration in high return sectors and stocks screened through original fundamental research and relative valuation. Emphasis is greater on sector and stock selection than on timing markets and currencies. The investment process is disciplined, using quantitative tools.

Masahiko Nemoto is chief investment officer; Brian X. Fitzgibbon is client contact.

Oechsle International Advisors

1 International Place, Boston, Mass. 02110; (617) 330-8810

Total assets managed	$2,692,000,000
Non-U.S. pension assets	$41,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$2,651,000,000
International	$2,492,000,000
Active equity accounts	$2,492,000,000
Global	$159,000,000
Active equity accounts	$77,000,000
Active bond accounts	$82,000,000
Tax-exempt clients	55
Minimum separate account	$20,000,000

Oechsle International Advisors' international equity assets were committed most heavily to Japan, the United Kingdom, Germany, Hong Kong and Switzerland. Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Germany and Hong Kong.

The firm's equity approach emphasizes bottom-up stock selection, aggressive top-down country allocation and value orientation. The investment horizon is 18 to 24 months; portfolios are constructed with a limited number of holdings. Investments are managed in a minimum of eight and a maximum of 14 country markets.

Walter Oechsle is chief investment officer; Stephen Langer is client contact.

Pacific Investment Management Co.

840 Newport Center Drive, Suite 360, P.O. Box 9000, Newport Beach, Calif. 92658-9030; (714) 640-3031

Total assets managed	$31,762,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$31,039,000,000
Global	$726,000,000
Active bond accounts	$726,000,000
U.S. tax-exempt clients	135
Minimum separate account	$50,000,000

Pacific Investment Management Co.'s fixed-income style is a top-down, core approach that avoids extreme swings in duration, country and currency exposure. Major strategy shifts are driven by long-term trends; significant value is added through the use of sophisticated analytical tools.

W.H. Gross is chief investment officer; Jim Muzzy and Margaret Riley is client contact.

PanAgora Asset Management

260 Franklin St., Suite 2200, Boston, Mass. 02110; (617) 439-6300

Total assets managed	$11,447,000,000
Non-U.S. pension assets	$2,016,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$9,510,000,000
International	$954,000,000
Active equity accounts	$270,000,000
Indexed equity accounts	$651,000,000
Active bond accounts	$33,000,000
Global	$1,897,000,000
Active bond accounts	$1,897,000,000
U.S. tax-exempt clients	80
Minimum separate account	$25,000,000

PanAgora Asset Management's international equity assets were committed most heavily to Japan, the United Kingdom, Germany, Spain and Sweden.

The firm is a global quantitative manager, offering equity, fixed-income, currency and asset allocation strategies. Core management and global tactical asset allocation are emphasized.

The firm runs $1.954 billion of discretionary tax-exempt assets in managed currency overlay programs; all of the underlying assets are managed internally.

Richard A. Crowell and Alan J. Brown are chief investment officers; Miriam F. Cooper is client contact.

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Payden & Rygel
333 S. Grand Ave., Suite 3250, Los Angeles, Calif. 90071; (213) 625-1900

Total assets managed	$9,300,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$9,300,000,000
International	$300,000,000
Active bond accounts	$291,000,000
Cash	$9,000,000
Global	$900,000,000
Active bond accounts	$873,300,000
Cash	$27,000,000
U.S. tax-exempt clients	104
Minimum separate account	$15,000,000

Payden & Rygel offers low-volatility, active fixed-income management, producing consistent returns in both strong and weak U.S. dollar environments.

Joan A. Payden is chief investment officer; John Isaacson is client contact.

PCM International Inc.
820 Morris Turnpike, Suite 102, Short Hills, N.J. 07078; (201) 912-7500

Total assets managed	$610,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$565,000,000
International	$565,000,000
Active equity accounts	$565,000,000
U.S. tax-exempt clients	17
Minimum separate account	$10,000,000

PCM International Inc.'s international equity assets were committed most heavily to Japan, France, Germany, Switzerland and the United Kingdom.

The firm seeks to own a limited number of stocks that offer the best price relative to future earnings prospects; market and currency risks are managed with a defensive overlay.

Cassandra Hardman and Barry Gillman are chief investment officers; Jeffrey Kutler is client contact.

Philippe Investment Management
122 E. 42nd St., New York, N.Y. 10168; (212) 687-3616

Total assets managed	$705,000,000
Non-U.S. pension assets	$120,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$585,000,000
International	$246,000,000
Active equity accounts	$246,000,000
Global	$149,000,000
Active equity accounts	$149,000,000
U.S. tax-exempt clients	7
Minimum separate account	$25,000,000

Philippe Investment Management's international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and Switzerland. Its global equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and the United States.

The firm incorporates both top-down and bottom-up strategies. Equal weight is placed on country, sector and stock decisions. Portfolios are diversified with about 150 securities and moderate use is made of cash equivalents. Generally, one-third of the holdings is in small-cap issues; 30% to 40% are not in the representative indexes.

Claudette Mayer is client contact.

Pictet International Management Ltd.
Cutlers Gardens, 5 Devonshire Square, London, EC2M 4LD, U.K.; 071-283-7471

Total assets managed	$1,600,000,000
Non-U.S. pension assets	$504,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$473,000,000
International	$473,000,000
Active equity accounts	$473,000,000
U.S. tax-exempt clients	12

Pictet International Management Ltd. uses an active management style for EAFE accounts, featuring a systematic, disciplined stock selection technique. Share value is linked to fundamentals, identifying the best value relative to historical valuations within each market. Regional mandates and international small-cap accounts are actively managed using a more judgmental stock selection technique.

Bruce Albrecht is chief investment officer; Rod Hearn is client contact.

Rowe Price-Fleming International Inc.
100 E. Pratt St., Baltimore, Md. 21202; (301) 547-2141

Total assets managed	$4,901,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$3,865,000,000
International	$3,861,000,000
Active equity accounts	$3,285,000,000
Active bond accounts	$184,000,000
Indexed bond accounts	$392,000,000
Global	$4,000,000
Active bond accounts	$4,000,000
U.S. tax-exempt clients	22
Minimum separate account	$20,000,000

Rowe Price-Fleming International Inc.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and the Netherlands.

The firm's uses an active top-down, bottom-up approach. Large- and/or small-cap stocks are selected, using worldwide research capabilities. Its fixed-income strategy is fundamentally oriented and actively manages credit markets and currency exposure.

Martin G. Wade is chief investment officer; George A. Murnaghan is client contact.

The Putnam Cos. Inc.
1 Post Office Square, Boston, Mass. 02109; (617) 292-1000

Total assets managed	$44,100,000,000
Non-U.S. pension assets	$102,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$8,800,000,000
International	$322,000,000
Active equity accounts	$142,000,000
Active bond accounts	$180,000,000
Global	$554,000,000
Active bond accounts	$554,000,000
U.S. tax-exempt clients	92
Minimum separate account	$10,000,000

The Putnam Cos. Inc.'s international equity assets were committed most heavily to Japan, the Netherlands, Spain, Switzerland and the United Kingdom.

The firm's global fixed-income approach is systematic and active, seeking positive rates of return established in any given currency. Proprietary computer-driven models add value through currency management. The top-down, bottom-up equity style is value-oriented, seeking stocks selling below fair value.

Anthony W. Regan is chief investment officer; Mary Ann Morrice is client contact.

RCB International Inc.
29 Federal St., Stamford, Conn. 06901; (203) 977-7000

Tax-exempt assets assigned to others:	
International	$342,000,000
Global	$179,000,000
U.S. tax-exempt clients	46
Minimum separate account	$50,000,000

RCB International Inc. uses a multiple adviser approach in each of its investment programs. Chosen advisers have a proven degree of skill in stock selection and an expertise in a particular geographic region.

Edgar W. Barksdale is chief investment officer and client contact.

RCM Capital Management
4 Embarcadero Center, Suite 2900, San Francisco, Calif. 94111; (415) 954-5474

Total assets managed	$19,689,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$16,312,000,000
Global	$120,000,000
Active bond accounts	$120,000,000
U.S. tax-exempt clients	129

RCM Capital Management's currency and bond decisions are made separately. It uses an active currency hedging profile and tactical allocation decisions (vs. U.S. alternatives) are made to enhanced domestic returns.

Claude N. Rosenberg Jr. is senior investment officer; Melody L. McDonald is client contact.

Rogge Global Partners
1720 Post Road E., Suite 12, Westport, Conn. 06880; (203) 254-725[illegible]

Total assets managed	$577,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$520,000,000
International	$289,000,000
Active bond accounts	$289,000,000
Global accounts	$231,000,000
Active bond accounts	$231,000,000
U.S. tax-exempt clients	2

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Steve Stunda
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Currency overlay/hedge managers

	U.S. $ millions: Total currency overlay	U.S. $ millions: Underlying assets managed internally
General Electric	2,756	2,404
PariAgora Asset	1,954	1,954
County NatWest	980	0
Matuschka Group	709	86
Strategic Investment	600	20
FX Concepts	458	0
Boston Int'l	409	409
Citibank Investment	194	194
Massachusetts Financial	56	56
Morgan Grenfell	36	0
Total	18,443	8,851

U.S. institutional, discretionary tax-exempt assets

Minimum separate account $25,000,000

Rogge Global Partners — formerly Bewise, Goodman International PLC applies relative value analysis across countries. The focus is on active country allocation in liquid markets, using high-quality securities with maturities at the medium to long end of the market.

Olaf Rogge is chief investment officer; Julie M. Cochran is client contact.

N.M. Rothschild International Asset Management Ltd.

Five Arrows House, St. Swithins Lane, London EC4N 8NR, U.K.; 071-280-5000

Total assets managed $654,000,000
Non-U.S. pension assets $177,000,000
U.S. discretionary tax-exempt assets managed:
Total $417,000,000
International $386,000,000
Active equity accounts $29,000,000
Active bond accounts $357,000,000
Global $31,000,000
Active bond accounts $31,000,000
U.S. tax-exempt clients 4
Minimum separate account $10,000,000

N.M. Rothschild International Asset Management Ltd.'s fundamental style uses macroeconomic analysis, emphasizing quality, discipline and patience. Currency is managed as a separate asset class.

The firm runs $2.036 billion of discretionary tax-exempt assets in currency overlay programs; none of the underlying assets is managed internally.

Kenneth West is chief investment officer; Giles Marshall is client contact.

Frank Russell Trust Co.

909 A St., P.O. Box 1454, Tacoma, Wash. 98401; (206) 572-2282

Tax-exempt assets assigned to others:
International $738,000,000
U.S. tax-exempt clients 193
Minimum separate account $5,000,000

Frank Russell Trust Co. is a manager of managers.

Paul Kaltinick and Lynn Anderson are chief investment officers; Brian F. Barker is client contact.

SBC Portfolio Management International Inc.

1 World Trade Center, Suite 8935, New York, N.Y. 10048; (212) 432-8900

Total assets managed $593,000,000
Non-U.S. pension assets $43,000,000
U.S. discretionary tax-exempt assets managed:
Total $462,000,000
International $389,000,000
Active equity accounts $389,000,000
Global $14,000,000
Active equity accounts $14,000,000
U.S. tax-exempt clients 25
Minimum separate account $10,000,000

SBC Portfolio Management International Inc.'s international equity assets were committed most heavily to Japan, the United Kingdom, Spain, Switzerland and France.

The firm uses a top-down equity approach, relying on information sources to make strong bets against EAFE, when prudent, while investing across the whole spectrum of the index. Active currency management and hedging are used when necessary.

Peter J. Morant is chief investment officer; John W. Conlin is client contact.

Schroder Capital Management International

787 Seventh Ave., 29th Floor, New York, N.Y. 10019; (212) 841-3838

Total assets managed $4,700,000,000
Non-U.S. pension assets $571,000,000
U.S. discretionary tax-exempt assets managed:
Total $3,545,000,000
International $3,644,000,000
Active equity accounts ... $3,644,000,000
Global $201,000,000
Active equity accounts $122,000,000
Active bond accounts $79,000,000
U.S. tax-exempt clients 41
Minimum separate account $25,000,000

Schroder Capital Management International's international equity assets were committed most heavily to Japan, the United Kingdom, France, Germany and Switzerland. Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, France and Switzerland.

The firm emphasizes stock selection, supported by analysis from seven regional offices. Its begins with country selection based on three-year economic projections, then focuses on growth stocks within each country.

Richard R. Foulkes is chief investment officer; Sharon L. Haugh is client contact.

Scudder Stevens & Clark

345 Park Ave., New York, N.Y. 10154; (212) 326-6200

Total assets managed $3,796,000,000
Non-U.S. pension assets $180,000,000
U.S. discretionary tax-exempt assets managed:
Total $1,379,000,000
International $564,000,000
Active equity accounts $436,000,000
Active bond accounts $76,000,000
Balanced $52,000,000
Global $250,000,000
Active equity accounts $224,000,000
Active bond accounts $3,000,000
Balanced $23,000,000
Minimum separate account $10,000,000

Scudder Stevens & Clark's international equity assets were committed most heavily to Japan, the United Kingdom, the Netherlands, Germany and Switzerland. Its global equity assets were committed most heavily to the United States, Switzerland, the United Kingdom, Japan and Germany.

The firm makes assessments of the global economy as well as local market and currency factors, which are meshed with in-depth security analysis. Quantitative and qualitative research is used.

Nicholas Bratt is chief investment officer; Edmund Thimme Jr. is client contact.

Smith Barney Global Capital Management Inc.

1345 Avenue of the Americas, New York, N.Y. 10105; (212) 698-6131

Total assets managed $290,000,000
Non-U.S. pension assets $46,000,000
U.S. discretionary tax-exempt assets managed:
Total $245,000,000
International $89,000,000

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Three, it's the first index that's comparable to the standard stock and bond indices.

Because it reflects the total return — both price movement *and* yield — from commodities.

By all means, watch the GSCI daily on Reuters page GSCI.

Goldman Sachs

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Active bond accounts	$89,000,000
Global	$156,000,000
Active bond accounts	$156,000,000
U.S. tax-exempt clients	3
Minimum separate account	$10,000,000

Smith Barney Global Capital Management Inc.'s active fixed-income portfolios employ a research-based modeling system, fundamental overlays and active currency decisions.

Bruce D. Sargent is chief investment officer; Jill B. Jordon is client contact.

State Street Bank and Trust
225 Franklin St., 29th Floor, Boston, Mass. 02110; (617) 654-3953

Total assets managed	$60,528,000,000
Non-U.S. pension assets	$4,617,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$53,545,000,000
International	$9,408,000,000
Active equity accounts	$2,160,000,000
Indexed equity accounts	$7,092,000,000
Indexed bond accounts	$156,000,000
Global	$40,000,000
Indexed equity accounts	$40,000,000
U.S. tax-exempt clients	126
Minimum separate account	$25,000,000

State Street Bank and Trust Co.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and Switzerland. Its global equity assets were committed most heavily to the United States, Japan, Germany, France and the United Kingdom.

The firm's active strategies use a value-oriented, systematic process, selecting the most attractive securities and countries in a risk-controlled fashion. Passive products use a quantitative, full-replication approach.

The firm runs $881 million of discretionary tax-exempt assets in currency overlay programs; all of the underlying assets are managed internally.

Nicholas A. Lopardo is chief investment officer; Peter E. Braun is client contact.

P&I will publish an employee benefits update July 22.

Strategic Investment Partners Inc.
2000 K St. N.W., Suite 400, Washington, D.C. 20006; (202) 785-2300

Total assets managed	$20,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$20,000,000
International	$20,000,000
Active equity accounts	$20,000,000
Tax-exempt assets assigned to others:	
International accounts	$931,000,000
Global accounts	$457,000,000
U.S. tax-exempt clients	1
Minimum separate account	$20,000,000

Strategic Investment Partners Inc.'s tactical asset allocation and currency management are handled internally. It uses quantitative tools and judgment to tilt its portfolios toward pockets of significant value; investment strategy is executed through specialist submanagers. Equity portfolios combine active and passive management to achieve efficient, cost-effective diversification.

The firm has $600 million in currency hedging programs; $20 million of the underlying assets are managed internally.

Hilda Ochoa is chief investment officer; Ms. Ochoa and Mary Chelsi are client contacts.

TCW Global Advisors
400 S. Hope St., Suite 500, Los Angeles, Calif. 90071; (213) 683-4000

Total assets managed	$1,639,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$1,430,000,000
Global	$1,430,000,000
Other	$1,430,000,000
U.S. tax-exempt clients	17
Minimum separate account	$100,000,000

TCW Global Advisors uses a top-down asset allocation process, supported by quantitative analytical support. Its investment universe is limited to six markets: the United States, the United Kingdom, France, Germany, Switzerland and Japan. Its goal is preservation of capital.

Charles Gave is chief investment officer; Thomas E. Larkin Jr. is client contact.

Templeton International
500 E. Broward Blvd., Suite 2100, Fort Lauderdale, Fla. 33394; (305) 764-7390

Total assets managed	$2,729,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$2,489,000,000
International	$175,000,000
Active equity accounts	$161,000,000
Active bond accounts	$14,000,000
Global	$2,314,000,000
Active equity accounts	$2,207,000,000
Active bond accounts	$107,000,000
U.S. tax-exempt clients	60
Minimum separate equity account	$10,000,000
Minimum separate bond account	$15,000,000

Templeton International's equity assets were committed most heavily to the United Kingdom, Spain, Canada, France and Hong Kong. Its global equity assets were committed most heavily to Australia, Hong Kong, the United Kingdom, the United States and Canada.

The firm's active approach takes a long-term perspective is seeking value worldwide.

Thomas L. Hansberger is chief investment officer; James R. Wood is client contact.

Travelers Corp.
1 Tower Square, Hartford, Conn. 06183-6030; (203) 277-0111

Total assets managed	$38,999,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$21,398,000,000
International	$513,000,000
Active equity accounts	$159,000,000
Indexed equity accounts	$327,000,000
Indexed bond accounts	$27,000,000
U.S. tax-exempt clients	1,635

Travelers Corp.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and the Netherlands.

The firm offers indexed and active accounts in both equities and fixed income. Geographic tilting and currency protection are offered.

Richard Shima is chief investment officer; Peter J. Zummo is client contact.

Van Eck Associates Corp.
122 E. 42nd St., New York, N.Y. 10168; (212) 687-5200

Total assets managed	$1,172,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$222,000,000
Global	$60,000,000
Active equity accounts	$60,000,000
U.S. tax-exempt clients	1
Minimum separate account	$5,000,000

Van Eck Associates Corp.'s global equity assets were committed most heavily to the United States, Germany, Japan, France and the Netherlands.

The firm specializes in gold-oriented investing, and assets are invested in gold equity worldwide and in bullion.

The firm identifies macroeconomic and political trends worldwide to determine currency, country, industry and security weightings and selections. It uses hedging instruments to protect the value of existing holdings. Quality, liquidity, long-term results and preservation of capital are emphasized.

John C. van Eck is chief investment officer; Michael G. Doorley is client contact.

The Vanguard Group
Vanguard Financial Center, Valley Forge, Pa. 19482; (215) 669-1000

Total assets managed	$62,440,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$15,371,000,000
International	$6,000,000
Indexed equity accounts	$6,000,000
Tax-exempt assets passed to others:	
International	$677,000,000
U.S. tax-exempt clients	1,720

The Vanguard Group Inc. offers four international mutual funds employing both active and passive management: Vanguard World Fund; Trustees' Commingled Fund; Vanguard International Equity Index Fund — European Portfolio; and Vanguard International Equity Index Fund — Pacific Portfolio. Schroder Capital Management International and Batterymarch Financial Management manage funds on behalf of the firm.

John C. Bogle is chief investment officer; James H. Gately is client contact.

Warburg Investment Management International
780 Third Ave., New York, N.Y. 10017; (212) 751-8340

Total assets managed	$2,595,000,000
Non-U.S. pension assets	$351,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$2,222,000,000
International	$1,767,000,000
Active equity accounts	$598,000,000
Active bond accounts	$1,155,000,000
Balanced	$14,000,000
Global	$455,000,000
Active equity accounts	$391,000,000
Active bond accounts	$45,000,000
Balanced	$19,000,000
U.S. tax-exempt clients	29
Minimum separate account	$10,000,000

Warburg Investment Management International Ltd.'s international equity assets were committed most heavily to Japan, the United Kingdom, Germany, Hong Kong and Singapore. Its global equity assets were committed most heavily to the United States, Japan, the United Kingdom, Germany, Switzerland and Hong Kong.

The firm's uses a top-down, bottom-up approach that follows 22 countries, investing in 14 to 16 countries. Portfolios are diversified with about 100 securities chosen by regional specialists, focusing on large- and medium-cap stocks.

Robert P.B. Michaelson is chief investment officer; Steven W. Golann is client contact.

Wellington Management Co.
75 State St., Boston, Mass. 02131; (617) 951-5000

Total assets managed	$47,132,000,000
Non-U.S. pension assets	$156,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$15,344,000,000
International	$719,000,000
Active equity accounts	$599,000,000
Active bond accounts	$120,000,000
Global	$33,000,000
Other	$33,000,000
U.S. tax-exempt clients	231
Minimum separate account	$10,000,000

Wellington Management Co.'s international equity assets were committed most heavily to Japan, the United Kingdom, France, Germany and Switzerland.

All portfolios are actively managed, and investment decisions are based on internal fundamental research. Top-down and bottom-up strategies are used.

Robert W. Doran is chief investment officer; Dena G. Willmore is client contact.

Wells Fargo Nikko Investment Advisors
45 Fremont St., San Francisco, Calif. 94105; (415) 597-2700

Total assets managed	$87,730,000,000
Non-U.S. pension assets	$5,301,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$81,400,000,000
International	$3,419,000,000
Active equity accounts	$61,000,000
Indexed equity accounts	$3,112,000,000
Indexed bond accounts	$94,000,000
Balanced	$152,000,000
U.S. tax-exempt clients	380
Minimum separate account	$100,000,000

Wells Fargo Nikko Investment Advisors' international equity assets were committed most heavily to Japan, the United Kingdom, Germany, France and the Netherlands.

The firm manages a broad range of international passive and progress-driven products, covering 90% of the world's non-U.S. capital markets.

The firm runs $1.702 billion of discretionary tax-exempt assets in currency hedging programs; $1.48 billion of the underlying assets is managed internally.

Patricia Dunn and Donald Luskin are chief investment officers; Michael Henman is client contact.

WorldInvest Ltd.
56 Russell Square, London WC1B 4HP, U.K.; 071-637-3322

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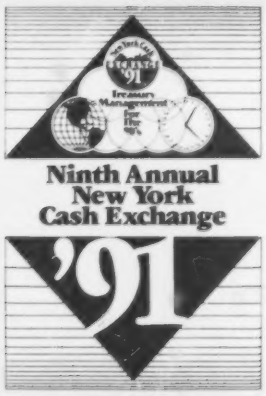

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KEYNOTE THEME

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Russell

Continued from page 1

amount . . . from the U.S. will come principally from the pension pool," Mr. Russell said.

Mr. Russell didn't release the names of all of the participants. He did say, however, that a majority of the pension funds are clients of The Frank Russell Co.

Money managers were chosen based on how well he thought they could "add value to this discussion," Mr. Russell said.

Collectively, the group represents about $500 billion in assets, said Mr. Russell.

Participants pay a "suggested contribution" to join the group, said Walter Stern, chairman of Capital Group International Inc., who represents Capital Guardian Trust at the organization. Neither he nor Mr. Russell would reveal the amount.

A portion of the contribution helps "subsidize" the Institute for East-West Security Studies, a think-tank based in New York and Czechoslovakia. The Institute is providing the Russell 20-20 with information on Eastern Europe.

Participants praised the Russell 20-20. Mr. Stern, for instance, called it a "great idea."

Said Teri Goodale, investment director of American Telephone and Telegraph Co.'s $34 billion pension fund: "With so many changes going on in Eastern Europe, George Russell has put together a good group that can (tap) sources of information and exchange ideas." David P. Feldman, corporate vice president-investment management, is AT&T's representative to the group.

She said AT&T's fund hasn't yet made any investments in Eastern Europe, but "there could be the possibly of investing" in the future. "I think we're all primarily in a learning mode," she added.

Kenneth E. MacWilliams, president of Prudential Equity Management Associates, said "Mr. Russell is doing a distinct service for (investors) as well as for Eastern Europe" by making officials of that region aware of Americans' investment criteria.

He said Prudential — which has invested only a small amount in Eastern Europe through a country fund — now is doing its homework. He suggested group participants "might begin putting their toe in Eastern Europe" next year. He believes there is "genuine and lasting interest" in Eastern Europe.

Mr. Russell believes group members' investments will take various forms. "I predict there will be some cooperative joint ventures, some investment funds put together and individuals grabbing opportunities. These will happen more on purpose than by accident because the group meets on purpose," he said.

The group's daylong meetings provide a range of instructional programs. The May session, for example, included briefings on four Eastern European countries from the institute and three guest presentations on Eastern European investment opportunities.

No group trip to Eastern Europe is on the agenda. "We think we'll learn by bringing people to the U.S. rather than by traveling," Mr. Russell said. ■

P&I will publish its investment management software directory Sept. 2.

Continued from page 32

Total assets managed	$3,239,000,000
Non-U.S. pension assets	$1,065,000,000
U.S. discretionary tax-exempt assets managed:	
Total	$2,533,000,000
International	$1,189,000,000
Active equity accounts	$210,000,000
Active bond accounts	$965,000,000
Balanced	$14,000,000
Global	$1,344,000,000
Active equity accounts	$209,000,000
Active bond accounts	$1,049,000,000
Balanced	$86,000,000
U.S. tax-exempt clients	46
Minimum separate account	$15,000,000

WorldInvest Ltd.'s international equity assets were committed most heavily to Japan, the United Kingdom, Switzerland, France and Spain. Its global equity assets were committed most heavily to Japan, France, the United Kingdom, Switzerland and Spain.

The firm's active approach is driven by fundamental economic analysis. It is willing to take significant positions away from the index, based on its top-down view of anticipated market returns.

Keith Brown is chief investment officer; Susan Leader is client contact.

We are pleased to announce that

Jean M. Clark

has rejoined the firm as Senior Vice President.

The Patterson Capital Corporation
Investment Advisory Firm
2029 Century Park East, Suite 1540
Los Angeles, California 90067
(213) 556-2496

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Goldman Sachs Commodity Index

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This allows participation in the commodity markets — through direct trading or a managed account program — in order to achieve a balanced portfolio.

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Goldman Sachs